FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

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Robots: tomorrow has been delayed, Page 18

NEWS SUMMARY

GENERAL

France threatens to bomb Druze

France has threatened to send fighter-bomber aircraft to attack hostile artillery overlooking Beirut, which yesterday killed two more members of the French multi-national peace-keeping force.

A French paratroop colonel was among the dead when his unit was shelled by Druze artillery in the mountains above the Lebanese capital.

At least six people were killed and 27 wounded when a car bomb destroyed a west Beirut building near the headquarters of the leftist Moslem Murabitoun militia. Page 20

Pakistan strike call

Pakistan's Movement for the Restoration of Democracy called for a general strike every Tuesday in Sind province. In the southern town of Hyderabad, police arrested 60 demonstrators.

Minister resigns

Mr Dimitris Koulourianos, the Greek Finance Minister, has resigned and has been replaced by Mr Yiannis Pottakis, the Deputy Minister of National Economy, after quarrels with the Cabinet over the handling of economic policy.

Shamir closer

Mr Yitzhak Shamir's efforts to reconstitute a coalition Government in Israel were closer to success. Page 4

Chadians attacked

The Chad Government said its north-east garrison of Oum Chalouba had been attacked by 3,000 Libyan-backed rebels in the second attack in five days. Government troops claimed to have killed 100 rebels.

Craxi on tour

Sr Bettino Craxi, Italy's socialist Prime Minister, is to visit London and Paris late next week for talks with Mrs Margaret Thatcher, the British Premier, and France's President François Mitterrand.

Non-political Pope

Cardinal Franz Koenig, Archbishop of Vienna, said Pope John Paul would not deliver political messages during his visit to Austria, which starts on Saturday.

Sahara peace bid

Delegates from six African countries will meet in Addis Ababa from September 17 to 19 for a fresh round of talks on the western Sahara conflict, the Organisation of African Unity announced.

Santiago protest

Riot police in Santiago broke up a demonstration by a stone-throwing crowd shouting support for today's day of protest against President Pinochet's military dictatorship. Page 7

Arab declaration

The Arab group at the Geneva conference on Palestine issued a moderate final declaration yesterday implicitly recognising Israel's right to exist.

Briefly . . .

Car bomb explosion slightly injured two French embassy staff in Tehran.

Chinese Foreign Minister Wu Xueqian will visit Turkey this month.

Luci Baines Johnson, younger daughter of the late U.S. President Lyndon Johnson, will marry British banker Mr Ian Turpin.

BUSINESS

British current account setback

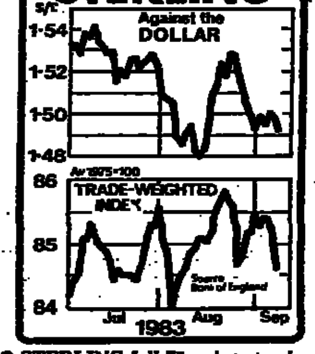
● BRITAIN's current account of the balance of payments showed a deficit of £300m ($450m) for the three months to June, the largest deficit for any quarter since early 1979. It compares with a surplus of £780m for the first three months of this year. Page 9

● LONDON: The FT Industrial Ordinary Index closed 2.1 down at 712.4. In Government securities selected longs showed gains of a full point. Report, FT Share Information Service, Pages 35–37

● WALL STREET: The Dow Jones Index closed 5.39 up at 1244.11. Report, Page 33; full share listings, Pages 34–36

● TOKYO: The Nikkei Dow index rose sharply by 100.55 points to a record 9,355.66. The Stock Exchange index put on 6.09 points to 688.53. Report, Page 33; leading prices, other exchanges, Page 36

● DOLLAR closed at DM 2.6767 (DM 2.6805), SwFr 2.1735 (SwFr 2.177) FFr 8.050 (FFr 8.0675), and Y245.37 (Y245.75). Its trade-weighted index was 129.3 (128.8). Page 43



● STERLING fell 75 points to close in London at $1.4915. It dropped to DM 4.01 (DM 4.02), SwFr 3.255 (SwFr 3.265), FFr 12.055 (FFr 12.09) and Y366 (Y368.75). Its trade-weighted index was 84.6 (85.1). In New York, sterling closed at $1.4925. Page 43

● GOLD fell $4 an ounce in London to finish at $413,625 an ounce. In New York the Comex September settlement was $414.5 ($412.5). Page 42

● CHINA lifted an eight-month ban on the importation on U.S. cotton, soybeans and chemical fibres and will increase imports of other U.S. agricultural products. Page 8

● FIAT, Italy's leading private industrial group, is selling 10 per cent of its successful production systems subsidiary Comau to Istituto Mobiliare Italiano, the state-controlled investment group. Page 21

● PORTUGAL took a $300m loan from the Bank for International Settlements last month. Page 3

● SWITZERLAND's annual rate of inflation fell to 1.7 per cent last month, the lowest since January 1979. Page 3

● BICC, the UK-based cables group, saw pre-tax fall by £16.3m ($24.45m) in the first half of this year. Details, Page 24; Lex Page 20

● SINCLAIR RESEARCH of the UK has agreed to provide its best-selling ZX81 and Spectrum home computers in kit form for assembly by the Chinese in Guangzhou. Page 9

● STATFJORD, Norway's largest oil producing field, was shut down for the second day yesterday by an unofficial strike.

● FORTY BELGIAN trade unionists occupied the boardroom of Cockerill-Sambre, the steel company after interrupting a meeting there in protest at planned job losses.

● ARGENTINA's consumer price index rose 17.2 per cent in August, one of the largest monthly increases in the country's history.

Unrepentant Gromyko admits Soviet jets shot down jumbo

BY PAUL BETTS AND DAVID WHITE IN MADRID AND REGINALD DALE IN WASHINGTON

MR ANDREI GROMYKO, the Soviet Foreign Minister, yesterday made the first public admission by a senior Soviet politician that Soviet fighters deliberately shot down a Korean Airlines Boeing 747 airliner with the loss of 269 lives last week.

The Soviet Union would not tolerate violations of its air space, Mr Gromyko told the closing session in Madrid of the Conference on Security and Co-operation in Europe (CSCE).

The Foreign Minister's assertion that Soviet territory and frontiers were "sacred" prompted an immediate and angry response from Mr George Shultz, the U.S. Secretary of State. It implied that "if anyone strays over them (the frontiers), they are ready to shoot them down again," Mr Shultz said.

But the Secretary of State told reporters he would go ahead with his planned and keenly awaited meeting with Mr Gromyko today. The meeting is to take place at the U.S. Ambassador's residence in Madrid and is due to last an hour. Mr Shultz cancelled his original lunch arrangement with the Soviet minister on arrival in the city.

In Washington, the White House said that the Soviet "admission of guilt" in no way closed the case and that the U.S. would continue to press for a full account, an "unequivocal apology," restitution and assurances that such an incident would not occur again.

Mr Larry Speakes, the White House spokesman, deplored the Soviet statement that it would "act in the same way again in future in similar circumstances." The Soviet Union was stating that it would shoot down the next unarmed aircraft that strayed into its air space, whether by accident or not, he said.

In Madrid, Mr Shultz had presided earlier over a meeting of Nato Foreign Ministers to consider sanctions against the Soviet Union. Proposals included "restricting flights to the Soviet Union or restricting flights by Soviet carriers, or both, for a restricted period of time," according to Sir Geoffrey Howe, the British Foreign Secretary.

Consultations are to continue between the allies but Sir Geoffrey emphasised the need for "effective, broadly-supported, fast action."

Mr Gromyko's tough statements to the CSCE closing ministerial session took some Western representatives by surprise and sparked off a war of words between Washington and Moscow.

The Soviet Minister, addressing a hushed assembly, charged that the aircraft was on "special duty for the American authorities and their relative services" and flew over "our most important strategic facilities" in the area. When it failed to obey a command to follow Soviet aircraft down to base, "Soviet fighters followed orders from their base to cut short the flight" Mr Gromyko said.

"Anyone who resorts to this sort of provocation," he added, referring to the violation of frontiers, "must know they have to bear full responsibility for it."

Mr Shultz, after briefly consulting his aides, said Mr Gromyko's statement "illustrates the difference on the allocation of weight to security on the one hand and human values on the other. There is

Continued on Page 20
U.S. analysis, Page 7

Banks set to give IMF $3bn boost

BY MAX WILKINSON, ECONOMICS CORRESPONDENT, IN LONDON

A group of leading central banks is expected to agree on Monday to lend $3bn to the International Monetary Fund (IMF) to help it to meet the rapidly increasing flow of requests for assistance from Third World debtor countries.

The loan, expected to be agreed at the central bank governors meeting at the Bank for International Settlements (BIS) would be the condition for Saudi Arabia to make a similar $3bn loan to tide the fund through "a very difficult period."

The Fund's outstanding loans and commitments already amount to more than Special Drawing Rights (SDR) 40bn ($42bn) and are close to the total usable resources now available.

Requests for assistance still pending far exceed that amount. If they were all granted, the total might stretch the Funds resources even when the 50 per cent increase in quota subscriptions comes into operation, probably next year.

Although the Fund is not facing an immediate liquidity crisis, it needs the BIS and Saudi loans to back lending commitments it expects to make in the next six to nine months.

The extent of the Fund's requirements will depend crucially on a decision that will face the interim committee in Washington at the end of this month on whether to allow members to apply for increased aid from the Fund.

There are now three different positions on this issue and it is also likely to be discussed by the central bankers on Monday.

● The less developed countries want the entitlement to assistance from the Fund to rise by 50 per cent with the increase in quotas agreed this year. Under that proposal, access to the Fund would remain unchanged at 150 per cent of a country's quota in any one year.

● The U.S. takes the hard line that debtor countries should not be able to ask for increased help in money terms even when quotas increase. That would involve lowering the access entitlement to 102 per cent of the increased quota.

● The European countries take a middle position. They would like the access to be reduced from 150 per cent to 120 per cent of quotas. That would mean that countries could ask for about 20 per cent more assistance in cash terms in any one year.

At present, total quotas available to the Fund amount to SDR 61bn, of which about half is usable at any time for assistance to members. It also has available SDR 19bn of loans from Saudi Arabia and other countries, which does not, however, include the loans now being negotiated. That provides it with usable resources of about SDR 50bn.

Outstanding loans account for

Continued on Page 20

BP plans to sell Forties Field oil interest may raise £260m

BY RAY DAFTER AND CHARLES BATCHELOR IN LONDON

BRITISH PETROLEUM is planning to sell about 12.5 per cent of its heavily taxed interest in the Forties oilfield, in the North Sea, in a move that might raise more than £260m ($388m).

The move comes shortly before the Thatcher Government's £500m fund-raising operation, announced two months ago, which involves its third sale of state-held BP shares.

Under its plans for the Forties Field, BP is planning to sell 10 per cent of the field by tender. In addition, the company is discussing with two unnamed companies the sale of two stakes each of slightly less than another 1 per cent of the field.

Under the tender arrangements, at least 170 companies are being invited to bid for working interests in the field. Forty units, each representing 0.25 per cent of the field, are being offered for sale with each unit being subject to a minimum tender price of £5.25m. No purchaser is to be sold more than eight of the units, and BP hopes to complete the sale by early next year. With output running at over 450,000 barrels a day – around a fifth of UK production – Forties is Britain's biggest producing field.

There was considerable speculation in the City of London yesterday that the underwriting for the BP share issue might be announced today, but it is likely to be next week at the earliest before the package is unveiled.

Production from Forties – a major contributor to BP profits in recent years – is now being taxed at near to the top rate of about 90 per cent of net revenue. It is understood that the company has decided to sell part of its 95 per cent interest in the field to companies with tax credits accumulated from drilling operations in other parts of the North Sea.

One leading North Sea analyst said last night that a 10 per cent stake in Forties could be worth between £225m and £275m to a tax-sheltered company, whereas the value to BP would be £50m–£60m.

Speculation on the Stock Exchange that the £500m offering would take place this week pushed BP's shares 6p lower to 424p at one stage yesterday, although the share price recovered later to an unchanged 430p. Leading oil stocks also fell by up to 10p but made gains later.

Evidence that the rationalisation of BP's downstream activities is beginning to show through in the company's results means the market expects the issue to carry only a small discount. A price of 400p–410p is widely expected.

BP, which is 39 per cent state-owned, announced last week that net profit rose to £219m in the second 1983 quarter from $74m in the first quarter.

Details, Page 37

Fed spent heavily to stem $

BY PAUL TAYLOR IN NEW YORK

THE U.S. Federal Reserve Board disclosed yesterday that the U.S. monetary authorities spent $254.1m in six trading sessions at the end of July and the start of August as part of a $2.5bn to $3bn co-ordinated Central Bank effort to stem the rise of the dollar and restore order to the foreign-exchange markets.

The level of U.S. central bank intervention was the highest since the late 1970s and only the third time that the U.S. had intervened in the foreign-exchange markets since April 1981, when it adopted the policy of intervening only to restore market order.

By contrast, the U.S. spent $102m in intervention activities in the second half of 1982 and $30m in the previous six-month period. In March 1981 the Fed spent $74m in intervention activities after the attempted assassination of President Ronald Reagan.

The latest intervention activity, which took place between July 29 and August 5, was also significant because it marked the first co-ordinated central bank intervention after the Williamsburg summit in May this year.

At the meeting, leaders of the Western industrial nations agreed to "improve consultations, policy convergence and international co-operation to help stabilise exchange markets."

The co-ordinated intervention at the end of July by the U.S. and other Western central banks followed a period during which the dollar had risen sharply against other important currencies – over the previous six months the Fed calculated that the dollar had risen by 7 per cent against the D-Mark and by larger amounts against other currencies in the European Monetary System (EMS).

"By late July, the dollar's upward movement had taken on a self-sustaining character in increasingly

Continued on Page 20

Turkey to buy 160 F-16s

By Our Ankara Correspondent

The Turkish Government yesterday announced it would buy and assemble $4bn worth of F-16 fighter aircraft, built by General Dynamics of the U.S.

The deal, the largest defence equipment contract concluded by the Turkish Government, will run over 10 years and will supply the Turkish Air Force with one of the world's most advanced fighter aircraft.

A total of 160 aircraft will be purchased in the deal, about 40 of which will be bought directly and the remainder assembled in Turkey, probably near Istanbul. The aircraft will be equipped with Pratt & Whitney F-100 engines.

It will also strengthen Turkey's military role with the North Atlantic Treaty Organisation (Nato). The country has been criticised in recent years for the run-down condition of its fleet of fighter aircraft.

General Dynamics clinched the deal this week after two years of intense competition with Northrop and McDonnell-Douglas of the U.S. which jointly produce the rival F-18. The F-18 package is understood to have been worth $5bn.

Officials in Ankara said that arguments over the merits of the two aircraft continued to the last minute. The final decision to opt for the F-16 was taken by President Kenan Evren.

A total of $2.5bn of the financing will come from the U.S. Government military assistance programme under a "foreign military sales" arrangement.

Qantas opts for Boeing with A$860m order

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT, IN LONDON AND MICHAEL THOMPSON-NOEL IN SYDNEY

QANTAS, the Australian national airline, has placed a A$860m ($754m) order with Boeing, the U.S. manufacturer.

The airline chose Boeing in preference to European Airbus Industrie's A-310 airliner. Airbus Industrie is said to have fought long and hard in an effort to win the Qantas order.

Mr Jim Leslie, Qantas chairman, said in Sydney yesterday that the airline would buy six of the new "extended range" version of the Boeing 767 twin-engined short-medium range jet airliner instead of Airbus A-310s and three "stretched upper deck" versions of the Boeing 747.

It is the biggest single order won by Boeing since earlier this year when Singapore Airlines decided to spend about $1.4bn on six 747s jets, four Boeing 757s and six A-310 Airbuses.

It brings Boeing's new orders in the past week alone to more than $1.62bn.

Last Friday, British Airways (BA) decided to take a short-term lease on 14 more Boeing 737-200s, worth about $249m. These jets will be bought outright by a banking consortium led by Chemical Bank, and leased to BA.

At about the same time, U.S. Air ordered 10 of the more advanced Boeing 737-300s, and five more 737–200s, worth in all about $330m.

Japan Air Lines last week ordered three more Beoing 747s, worth about $290m.

Reports from Sydney yesterday suggested that Airbus Industrie offered the A-310 Airbus on highly favourable financial terms.

The intensity of the struggle can be gauged from the fact that just before taking its decision, Qantas called on Airbus to make "a final offer" with the A-310, which clearly could not undercut Boeing.

Qantas will finance its deal by borrowing, by internal funding and by selling off some of its older Boeing 747s. Up to six 747s may be sold.

The first of the new Boeing 767s will be delivered to Qantas in October 1985, with the rest arriving through the ensuing winter. The first stretched upper-deck 747s will be delivered between November 1984, and April 1985.

Mr Keith Hamilton, Qanta's chief executive, said the 767s would enable the airline to examine closely route options such as Perth-Penang, Perth-Kuala Lumpur, and Sydney-Kuala Lumpur.

Qantas also said the 767s offered the most economic means of serving Australia's airports such as Adelaide, Cairns, Darwin and Townsville.

Rolls-Royce of the UK is engaged in a fierce sales battle with Pratt & Whitney and General Electric of the U.S. for the engines for both the 747s and the 767s.

Some time ago, Qantas decided to switch from Pratt & Whitney JT-9D engines in its 747s to Rolls-Royce RB-211-524s, and Rolls-Royce has high hopes of winning the engine deal for the three 747s ordered.

Pratt & Whitney has been competing solely with General Electric of the U.S. for engines in the 767 (the P&W JT-9D-7R4D against the GE CF6-80A). Rolls-Royce has not even been in the fight.

Qantas is expected to decide on the engine deal within weeks.

CONTENTS

EUROPEAN NEWS

Czech industrial output continues to decrease

BY LESLIE COLITT IN BERLIN

CZECHOSLOVAK industrial production continued to decrease in real terms in the first six months of this year.

Although rising nominally by 3.2 per cent—an improvement over last year's 1 per cent growth—the value of output fell in real terms after subtracting an estimated inflation rate of between 4 and 5 per cent.

Western analysts of the Czechoslovak economy say it is suffering from serious structural distortions and too tight control by the State Plan Commission and the industrial ministries.

Czechoslovakia's Prime Minister, Mr Lubomir Strougal, recently advocated limited economic reforms to reduce centralisation and close the technological gap with the West.

Mr Strougal repeatedly urged such reforms in the past but further discussions were stifled by doctrinaire government officials who feared they would unleash pressures for political changes.

Although the 2.4 per cent target for Czechoslovak industrial growth was exceeded in the first half of this year, analysts of Comecon economies at the German Institute of Economic Research (DIW) say the economy is continuing to stagnate.

They note it is normally easier to meet planned targets in the beginning of the year than toward the end.

Prague set a target this year of a 2 per cent rise in national income—roughly equivalent to GNP—after an increase of only 0.4 per cent last year and 0.2 per cent in 1981.

The Western analysts note that much will depend on the performance of agriculture as this will determine how much fodder the country imports from the West.

The Czechoslovak Statistical Office stated in its report on the half-year results that "tropical heat" and a lack of rain in July had a "negative effect" on many crops.

Czechoslovakia has been gradually reducing meat consumption from a peak of 85 kilos per capita annually in 1980 in order to cut back on Western fodder imports. Meat consumption figures are no longer being published.

Within Czechoslovak industry, the all-important mechanical engineering sector, which accounts for more than half of output, boosted nominal production by 4.8 per cent in the first half of this year, while electrical engineering rose 7.5 per cent.

Analysts, however, note that Czechoslovak specialities such as textile machinery have largely lost their former competitiveness in the West because of a failure to keep pace with technological developments.

Czechoslovak exports to the West *rose 1.3 per cent in the* first half of the year but failed to achieved the target set, according to DIW.

The Czechoslovak Statistical Office said only that efforts continued to further reduce indebtedness to the West and that the surplus achieved in trade with Western countries was "satisfactory."

Prague's exports to other Comecon countries rose 9.6 per cent in the first six months while imports increased by 13.5 per cent.

Hungary's Deputy Prime Minister, Mr Jozsef Marjai, said that agriculture, which is the country's biggest earner of hard currency, has suffered "serious" losses this summer. He also noted that industrial performance and productivity lag behind the planned targets.

Mr Marjai, who is responsible for economic policy, said Hungary is experiencing a drought "with few parallels in this century." The damage, he said, is affecting the entire economy, reducing disposable national *income and essential* exports.

There had to be a tightening of order, discipline and organisation throughout the economy. More use should be made of wage differentiation with greater financial and moral rewards for added work.

One of the pre-requisites was further development of the consumer price system involving higher prices to reduce subsidies for basic goods and the reduction of so-called "endowment" wages.

Dr Vera Nyitrai, chairman of the Hungarian Statistical Office, said recently that the top 10 per cent of Hungarian wage-earners are earning only four times as much as the lowest 10 per cent compared with 5.8 times as much in 1962.

Poland to import extra oil next year

By Christopher Bobinski in Warsaw

THE POLISH Government has decided on additional imports of around 1m tonnes of oil next year, in a bid to ease serious crude shortages. The oil is to be purchased in the West and is destined primarily for industrial uses.

Meanwhile, a senior energy official has warned of continuing cuts in natural gas supplies this winter, as well as shortages of heating oil and possible cuts in petrol rations, but said that coal stocks are at record levels and that rationing would be lifted in January.

According to Government officials, a decision has been taken to raise annual oil imports to 16m tonnes, although this target is still subject to the exigencies of Poland's chronic cash flow situation.

The bulk of Poland's oil supplies at present comes from the Soviet Union, which is supplying 13m tonnes a year under a long-term agreement running till 1985.

Poland last imported significant quantities of oil from hard - currency suppliers, mainly Iraq and Iran, in 1980. Overall imports that year reached 16.3m tonnes, with Poland spending $741m on purchases of 3.2m tonnes outside Comecon.

Hard-currency oil imports were valued at $108m (£72m) in 1981 and a mere $59m last year.

Until this week's Government decision, planners had assumed Poland would be importing 14.4m tonnes next year—*1.3m tonnes from outside* Comecon — and 15.4m tonnes in 1985, with 2.3m tonnes to be paid for in hard currency.

Meanwhile, with coal output for the first eight months at 121m tonnes, stocks have reached a record 26m tonnes and sales abroad are expected to reach 35m tonnes this year.

Over the first six months this year, the average price Poland has been getting for its coal from hard-currency clients fell by 15.2 per cent, compared with 1982, while prices of Polish coal in Comecon rose by 9.2 per cent.

Sales to the West in January-June reached 9.1m tonnes and 7.5m tonnes to Comecon.

Paul Betts in Paris reports on the most severe redundancy plan in French business history

Labour's love lost in 'l'affaire Peugeot'

THE "AFFAIRE PEUGEOT," as it has become popularly known in French business circles, comes to a head tomorrow when workers' representatives at the car group give their verdict on a management *plan to lay off a record 7,371* workers. The stakes are high all round.

For Peugeot, France's largest private company, the outcome of the saga could ultimately decide whether it will return to economic viability after losing FFr 6bn (£495m) and accumulating debts of about FFr 30bn in the last three years.

For the trade unions, the affair has become a major test of their attitude towards France's left-wing administration and of the credibility of *labour leadership in an industry* which, directly or indirectly, employs one worker in ten.

For the Government, it poses the uncomfortable question of whether ot brave the opposition of the Communists and the unions, at the risk of splitting the French left.

All summer, the central works committees in the group's Peugeot and Talbot car divisions have been considering management's decision to lay off nearly 10 per cent of the 82,000-strong workforce there.

Even if they reject the plan when they formally submit their response tomorrow, the company will proceed with the next step in the complicated legal procedure to create the redundancies. The dossier on the issue will go to officials in the Labour Department, who have 30 days to decide whether to accept the plan.

If it goes ahead, it would represent the largest number of corporate redundancies ever to be announced at once in France.

Peugeot took the Government and the unions by surprise when it first announced the layoffs last July. Since the beginning of the year, the situation at the private sector carmaker had appeared to be finally on the mend. The company seemed to have broken the back of the costly and painful restructuring programme it was forced to undertake after it absorbed the European operations of Chrysler in 1979.

M Jean-Paul Parayre, the Peugeot chairman, had started talking about break-even this year. A leading banker, M Jacques Calvet, appointed second-in-command at Peugeot, helped the group improve its strained relations with the financial community. The group launched a new aggressive marketing strategy and two successful new models: the small Peugeot 205 and the Citroen BX.

There were also signs of a small recovery in the group's position on the French market.

As summer *approached*, however, Peugeot's earlier cautious optimism began to falter. The outlook for the domestic market became increasingly uncertain. The Government's austerity measures introduced in April looked like slowing down demand in the autumn. Peugeot now forecasts new registrations of between 1.85m and 1.9m cars on the French market this year, compared with more than 2m in 1982.

The improved financial status of some foreign manufacturers is putting further pressure on *the French* home market. Recent Trade Ministry figures show that foreign carmakers, with 20.9 per cent of the market in 1978, increased their share to 30.6 per cent last year and have continued to make inroads at the expense of French producers in 1983.

Even under the most optimistic assumptions, the company is now expected to report a small loss this year.

But while Renault can rely on the state for financial support (it is asking the Government to *fund 15* per cent of its FFr 9.5bn investments this year), Peugeot has no fairy godmother. Peugeot's main shareholders have all had their own problems. Apart from the Peugeot family with 36 per cent of the group, these include Chrysler and the Michelin tyre company, which lost FFr 4bn last year. Nor does Peugeot want to be bailed out by the Government.

M Parayre confirmed this week that "the Peugeot group has no intention of seeking any specific aid from the state," because, he said, this would start "a process whereby the group would progressively lose its autonomy and would lead to increasing state interference."

So Peugeot argues that it had no choice but to lay off thousands of workers. It is encouraged by the examples of Chrysler in the U.S. and Italy's Fiat, both of which returned to profit after massive redundancies.

Peugeot has already sharply reduced its workforce in France and abroad. During the last four years, the group, which at present employs 208,000 people worldwide, has reduced its workforce by about 65,000 people, largely through early retirement and non-replacement of workers who left.

Workers relax on the Citroen production line at Aulnay during a strike this year; top right, M. Jean-Paul Parayre, chairman of Peugeot.

However, important changes have been taking place in France's labour market. The most significant for Peugeot was the fact that North African immigrant workers, who account for a large proportion of labour in the big car factories in the Paris area, stopped returning to their home countries after 1980. Before then, Peugeot had been able to reduce the workforce of its Paris plants by simply not replacing the immigrants who went home.

The large presence of immigrant labour at a time of depressed conditions in the car business caused growing tensions within the plants and within the French labour movement. It was one of the chief reasons for the labour unrest which hit both Renault and Peugeot last year. The strikes cost Peugeot lost production of 100,000 cars.

The protracted and at times violent strikes at Peugeot also influenced the timing of Peugeot's redundancy announcement. After the stoppages it took the group several months to restore normal working conditions in its plants. In this respect, Peugeot claims, the strikes camouflaged the real labour situation in that additional people were necessary to bring production back to normal. Only then, it seems, did management become aware of the excess employment levels in the Peugeot and Talbot divisions.

The strikes last year, especially at the big Talbot plant at Poissy and the Citroen plant at Aulnay, both in the Paris region, damaged the image of the group. This has been particularly true of Poissy, where Talbot production is concentrated. Consumers in France have apparently become unwilling to buy Talbots because they think they will acquire a badly assembled product. To improve the image of Poissy, Peugeot is now manufacturing part of its successful 205 model there.

But, despite management assurances to the contrary, the trade unions are worried that the arrival of the Peugeot 205 at Poissy could also herald a diminishing commitment on the part of the car group towards Talbot. What alarms the unions even more is the fact that, of the 7,371 redundancies Peugeot is seeking, 4,140 are at the Poissy Talbot plant.

The union leadership, especially of the powerful pro-Communist CGT confederation, has clearly become very nervous about the possible reaction of its members at Poissy. During the strikes in the car industry last year, it soon emerged that the labour leadership had lost control of the large militant component of immigrant members in the Paris area car plants. The unions are worried about the impact the Peugeot affair could have on the motor industry as a whole at a time when other troubled industries, like steel, chemicals and coal, are threatening to make substantial layoffs.

The CGT and the Communist Party have never abandoned their old dream of seeing Peugeot nationalised and merged with Renault to create one large state car company a *so-called "Automobiles de France."* For M Bernard Hanon, the chairman of Renault, who in recent weeks has come under increasing criticism from the CGT, such a concept would be a catastrophe.

There are signs that the unions and the Communists could ultimately accept the Peugeot layoffs if these entail not too great a loss of face for them. To this end the Government, which appears generally sympathetic to Peugeot's case, has sought to play for time and defuse the issue by appointing an independent official to conduct an inquiry into the Peugeot layoff proposal. The Government is equally concerned not to lose political face in this affair and will have to weigh its approach carefully.

M Parayre of Peugeot is hoping that the anger shown when the layoffs were first announced, will have cooled and all parties will be able to resolve the problem in a sober and rational way. There is always the risk that events will sweep away good intentions. Already labour unrest has halted production at Citroen's big plant at Aulnay since it re-opened at the end of the summer holiday.

EUROPEAN NEWS

OUTLOOK BRIGHTENS FOR PORTUGAL

Soares reveals further BIS loan

BY DIANA SMITH IN LISBON

Sr Mario Soares

PORTUGAL took a $300m (£200m) loan from the Bank for International Settlements (BIS) on August 1 to assist cash flow until successful negotiations with the International Monetary Fund (IMF) for a $480m standby loan improved the country's world standing. Gold reserves were not used as a guarantee for this loan.

This was revealed by Sr Mario Soares, the Prime Minister, at a news conference, where the Premier gave an accounting of his Socialist-Social Democrat's first 90 days in government.

Sr Soares stressed that the August loan—the third deal with the BIS this year—did not fall due until the end of the year.

With expected improvements in the cash position by then, Sr Soares said that it was hoped to repay the loan in cash, not gold.

Sr Soares said that before his Government took power on June 9, Portugal's financial situation was so grave, and credit from the international market so tight that the former Balsemao Government had to negotiate two gold-pledged loans from the BIS, one in March and one at the beginning of June.

Some 50 tonnes of gold were pledged for these two loans, respectively of $400m and $300m.

The stabilising effects of the IMF standby agreement and signs of a return of foreign banking confidence in Portugal's ability to manage her external accounts led Sr Soares to hope that the gold reserves—687 tonnes, valued at about $9bn in late 1982 before the BIS operations began—would not need to be touched in future.

The IMF agreement demands a reduction in the balance of payments deficit of the current account to $2bn this year against $3.3bn in 1982.

The Government has repaid some of the short-term foreign debt acquired by the Balsemao administration, that reached $3.8bn—32 per cent of the total foreign debt—early this year.

By December the Government aims to reduce the short-term foreign debt to £3bn — about 20 per cent of a total foreign debt debt to $3bn—about 20 per cent of a total foreign debt that, according to the IMF agreement, cannot exceed $14.6bn this year and $15.5bn in 1984.

Lisbon 'has turned a dangerous corner'

BY OUR LISBON CORRESPONDENT

PORTUGAL has safely turned a dangerous corner, Sr Mario Soares, Portugal's Prime Minister, said in his report on the progress of his Government.

Having inherited what he called "economical and financial disaster and great social instability — which will soon be listed in a White Paper" — from its centre-right predecessor, his administration had begun to see improvements, he added.

The combined reduction in subsidies and public sector investment, and containment of public sector wage increases and spending, were beginning to produce healthy results. These measures are part of the 18-month austerity programme required to redress Portugal's serious external imbalances.

Thereafter, the Government will be able to embark on the second and third stages of its plans — a two- to three-year financial and economic recovery programme and a four-year modernisation programme for the economy.

Sr Soares reported that the trade balance had picked up, with more than 50 per cent coverage of imports by exports —compared with just over 41 per cent last year.

With the beginnings of a return of confidence at home and abroad, Emigrants' remittances and tourism revenue were improving, he said, and the attitude of international bankers towards support for the Portuguese economy had changed in recognition of the merits of the measures negotiated with the International Monetary Fund.

Sr Soares revealed that the IMF had wanted to wait until the end of this year to negotiate a standby loan agreement with Portugal.

It had been persuaded to speed matters up since Portugal's finances were on the verge of collapse. In early August, a $480m (£320m) standby loan to be delivered in three tranches over the next 18 months had been negotiated.

His Government was pleased to see great receptivity to bond issues for public sector companies

This week's Esc 3bn (£16.2m) bond issue for Electricidade de Portugal, the national electricity corporation which was unable to raise a $100m loan on the international market before the IMF agreement satisfied foreign bankers that Portugal would have to comply with a stern austerity programme, was snapped up by the public

Sr Soares also reported that major foreign concerns had begun to show an interest in investing in Portugal now that nationalised sectors—banking, insurance, cement and fertilisers—were being re-opened to private capital.

Some Esc 11bn had been cut from this year's public sector current investments. Some 50 concerns operate in the public sector, and a ceiling of Esc 135bn has been placed on 1983 investments.

The 1984 state budget which, Sr Soares said, will go to Parliament by the last week in October for the first time in years, will reflect further cuts in public sector spending and investment, which Ministers are now working on.

Swiss economy 'unlikely to improve yet'

BY JOHN WICKS IN ZURICH

SWITZERLAND is unlikely to show any sustained improvement in its economy this year, according to the Swiss Association of Commerce and Industry (Vorort).

While the organisation says there is now a rather stronger basis for future recovery, it claims that no real upswing will be possible until there is a reversal of the current stagnation in export business.

This follows recent forecasts that Gross Domestic Product will experience a slight real-terms drop in 1983. There had been a decline of some 1.3 per cent in 1982

The Vorort reports that despite an overall strengthening in the world economy, there has as yet been no general rise in export demand, nor is this expected in the next few months.

It points out that while there are encouraging signs on certain industrialised markets, numerous developing countries are having to cut back their imports due to payments difficulties or high indebtedness.

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OVERSEAS NEWS

French lobby Damascus after attack on Beirut headquarters

BY DAVID HOUSEGO IN PARIS

THE FRENCH threat to destroy the artillery positions firing on the headquarters of the French forces in Lebanon came amid growing concern in Paris for the safety of the French contingent.

Officials said that the large shells that struck the headquarters located in the Residence des Pins in Beirut could only have come from heavy artillery provided by the Syrians. The French belief in at least an indirect involvement by the Syrians was the reason for the "strong representations" that France made yesterday morning both directly to Damascus and to the Syrian embassy in Paris.

The shelling in the morning killed a French lieutenant-colonel with the international force and wounded two soldiers. His death brings to 16 the number of soldiers that France has lost in Lebanon since September, 1982.

The French threat to destroy the artillery positions firing on the Residence des Pins was made in a strongly worded statement by M Charles Hernu, the Minister of Defence. He said: "if they do not stop firing immediately we will destroy the batteries."

Shortly before French fighter planes from the aircraft carrier Foch, which has just arrived in the eastern Mediterranean with escorting ships, carried out observation flights to locate the batteries. The French Ministry of Foreign Affairs said during the afternoon that the shelling had ceased.

The Foch was sent to demonstrate French determination to protect its ground forces. The French Embassy in Beirut has twice been bombarded and the French headquarters staff have only recently been relocated to what was considered a safer position.

France has 2,000 men in Lebanon out of the 6,200-man international force. It has been involved in recent diplomatic negotiations both with Mr Walid Jumblatt and the Lebanese Government in an effort to end the fighting.

Italy seeks Lebanon peace role

BY JAMES BUXTON IN ROME

THE ITALIAN Government is waiting to hear from Mr Walid Jumblatt, the Lebanese Druze leader, when he will visit Rome, following his acceptance on Tuesday of an invitation from Sig Bettino Craxi, the new Socialist Prime Minister.

Italy is trying to mediate between the Government of President Amin Gemayel, his Druze opponents and their backers, Syria. On Tuesday Sig Craxi received Gen Farez Habib, an envoy of Mr Gemayel, who said his Government was open to the proposed political solution which the Italian Government was working on.

Sig Craxi's initiative is partly in response to mounting concern here about Italy's exposed position in the Lebanon conflict. It has 2,044 troops in the multinational peacekeeping force, and their presence constitutes by far the most important military action Italy has taken outside its own territory since the Second World War.

A number of Italian troops have been injured in the past few days, though not seriously, and the issue could become more serious if any were to be killed in the fighting. Already a group of mothers of soldiers in the Italian force have written to the President asking the Italian state and Government to guarantee the safety of the troops in Beirut.

The Government this week reaffirmed to Parliament that the Italian troops will stay in Lebanon until such time as their presence becomes unnecessary or they can hand over to a United Nations peacekeeping force. Italy does not wish to become involved in supporting directly or indirectly any offensive by the Lebanese Army against the Druze militias, but has so far not been asked to do so, according to Sig Giulio Andreotti, the Foreign Minister.

Israel coalition agreement near

BY DAVID LENNON IN TEL AVIV

THERE IS increasing optimism within Israel's ruling Likud bloc that agreement is almost at hand with various coalition parties on the formation of a new Government.

The serious problems which arose earlier in the week appear to have been ironed out, and Mr David Levy, the deputy Premier, said that only "prosaic" problems remain.

Meanwhile, Mr Menahem Begin remains Prime Minister as the country celebrates the Jewish New Year but is expected to hand in his resignation to President Chaim Herzog early next week.

Mr Begin delayed his resignation to give his successor as party leader Mr Yitzhak Shamir, time to reconstitute the coalition Government.

The would-be Premier, Mr Shamir, said he hoped the coalition talks will be wrapped up after the holiday, possibly next Sunday or Monday. Then he will face the delicate task of picking the Cabinet which will satisfy the demands for portfolios by the disparate elements which comprise the coalition.

For Mr Begin, this is probably the last Jewish New Year which he will spend as Prime Minister. In contrast to the elated mood which permeated his life, on New Year seven years ago, today it is the saddened and gloomy leader who looks back at the triumphs and failures of over six years as Premier.

Commission starts Aquino death inquiry

A judicial inquiry into the murder of Filipino opposition leader Benigno Aquino opened formally yesterday with a doctor describing massive head wounds the bullet caused, Reuter reports from Manila. Mr Aquino was assassinated at Manila airport on August 21 while being escorted from an airliner which brought him home after three years of self-exile in the U.S.

Supreme Court chief justice Mr Enrique Fernando, chairman of the commission of inquiry, cut short objections from opposition lawyers among the audience who questioned the five-member body's impartiality and independence.

Qatar to ban visitors after arms cache reports

BY MARY FRINGS IN BAHRAIN

NO FOREIGN visitors will be allowed in Qatar between October 15 and November 20, the British Embassy on Doha has informed the UK Department of Trade. Qatar is hosting the three-day meeting of the six Gulf Co-operation Council heads of state, from November 7 to 9.

Doha international airport will be closed for the duration of the GCC summit. During the remainder of the restricted period, aircraft will call at Doha but only Qataris and holders of residents' permits will be allowed to enter the country.

The news follows persistent reports over the last few weeks of the discovery in Qatar of a cache of arms, including hand-held surface-to-air missiles which, it is feared, could have been used to shoot down the aircraft of incoming heads of state and their delegations from Saudi Arabia, Kuwait, Bahrain, the United Arab Emirates and Oman.

One report speaks of over 70 arrests, including serving officers of the army, military air wing and the police, some of whom are related to the ruling Al Thani family. There are no indications of any non-Qataris being held, but there does appear to be some Libyan involvement, both in the training of suspected terrorists and in the supply of weapons, which could have been hidden in Qatar for more than a year.

OVERSEAS NEWS

Chris Sherwell looks at a row over Singapore's expatriate workforce

Foreign workers under scrutiny

ERIC CHEONG is a man who does not like allowing debatable points to go uncontested. Last week, from his windowless office in the unimposing rooms of the Singapore Manual and Mercantile Workers' Union, of which he is secretary general, he decided to join in a sharpening controversy over foreign workers in Singapore.

Denials by Japanese companies that they employed more expatriates than they should were not borne out by the results of a survey conducted by his union, he said.

One day later, the Government, apparently sensing that the issue might soon get out of hand, issued a statement on expatriate employment reaffirming its commitment to a liberal entry policy for "qualified expatriates."

It is a sensitive question for Prime Minister Lee Kuan Yew, who has worked hard over the years to attract foreign investment and expertise to Singapore, turning it from a moderately successful entrepot centre into a booming service and manufacturing economy.

The last impression he wants to create is that the country's policy on qualified expatriates has changed. Their skills are desperately needed to help Singaporeans to learn to make the productivity gains which are the key to Singapore's economic growth.

On the other hand, there is said to be growing dissatisfaction at home. According to Mr Cheong and others, ambitious Singaporeans in middle management are beginning to feel frustrated by lack of promotion to more responsibility and higher incomes and are growing more envious of expatriate workers.

Employers were thought to be recruiting unsuitably qualified expatriates and abusing the existing system. There were also reports that vastly increased numbers of employment passes were approved last year. The Government's tighter procedures over the passes were acknowledged in its statement.

For foreign companies, the consequence in some cases has been the refusal of the Immigration Department to renew existing passes or to grant new ones, sometimes without explanation. Delays in processing caused staff shortages, and some foreign embassies were obliged to take up individual cases with the authorities.

Japanese companies were apparently the worst affected, and last week the Japanese Chamber of Commerce said it planned a survey of more than 400 companies to learn the fate of recent applications.

The American Business Council, representing some 450 companies, and the Singapore International Chamber of Commerce sought clarification from the Ministry of Trade and Industry.

These organisations will now be wondering whether the Government statement, which explicitly reaffirmed the commitment to a liberal entry policy for "qualified expatriates," marks the end of the matter. They will be watching to see if individual cases are now processed smoothly.

But the affair has also made at least some foreign companies wonder whether the Government, which always thinks in the long term, might be wanting to extend the policy which it is already applying over unskilled foreign workers with low incomes.

These workers need work permits – rather than employment passes – to be employed in Singapore, and the Government has decided to try to eliminate completely the need for such immigrant labour by 1992.

More than 100,000 low income foreign workers are estimated to supplement the indigenous workforce. The majority of them come from Malaysia, with some from the Philippines, Indonesia and Sri Lanka. They mainly work as servants or on construction sites.

Mr Lee, in a speech last month, said it was absurd that the Government's economic policy, which has prompted construction, should create jobs for non-Singaporeans. By 1992, he said, the core of Singapore's construction workforce must be either locals or permanent residents.

The Government also wants to upgrade the skills and technical qualifications of Singaporeans. This is reflected in the extraordinary "Great Marriage Debate" promoted by the Prime Minister himself, in which he has expressed profound worry over the increasing number of unmarried single women graduates in Singapore.

He says they should get married and have high-achieving children to replenish and expand the pool of national talent. Controversy still rages over the idea, which has now gone so far that the Government is despatching an official team to Japan to examine computer matchmaking packages to bring suitable couples together.

In the view of foreign businessmen, economists and diplomats, this adds up to an ambiguous future trend in Singapore's tight labour market. One member of a business association wondered whether the puzzling increase in employment passes granted last year might be caused by employers trying to get around the work permit problem.

The issue may seem less pressing should the economy pick up as the world climbs out of recession. The Government's overriding aim remains to boost productivity to achieve the rapid growth essential for survival. For people like Eric Cheong, labour demands should be met through employing Singaporeans as far as possible.

So, while the liberal policy towards highly skilled expatriates is likely to continue, pressure on foreign companies may persist in certain professional and administrative areas to prevent discrimination against the local workforce.

World oil market should settle down

BY CHRIS SHERWELL IN SINGAPORE

MEMBERS of the Organisation of Petroleum Exporting Countries (Opec) will increase their oil supplies to the world market during the coming three or four years with only a nominal upward adjustment in prices, Dr Rajai Abu-Khadra, senior economic adviser to Kuwait's Oil Ministry, told delegates to the Financial Times Asian Energy Conference yesterday.

His forecast, suggesting that the world oil market will be far less volatile in the 1980s than in the 1970s, was based on producers' fears over the consequences of a price war and an assumption that the U.S.-led economic recovery would spread to the rest of the world.

Dr Rajai said Opec production would rise to 22m barrels a day (b/d) in 1984 and 27m b/d by 1987. There wold be no real increase in the price of crude. World oil consumption would meanwhile rise to 48m to 50m b/d from the present 42.2m b/d.

Mr Peter Gaffney, of consultants Gaffney, Cline and Associates, however, said the price of oil could only go up in the long term because reserves were not being found to meet demand. While the search continued, the Asian-Pacific region would offer the most potential.

According to Mr Dick van Hilten, chairman and chief executive of Shell Companies in Singapore, developments inside and outside the Far East will have serious repercussions on Singapore as a refining centre.

These developments included an expansion of refining in the Middle East, bringing more products eastwards, and additional capacity coming on stream in such places as Indonesia, Malaysia and Thailand.

While the Asia-Pacific region as a whole remained dependent on Middle East exports, installed refining capacity – especially in Japan, South Korea and Taiwan – far exceeded potential demand.

Only the most efficient refineries would be able to compete, Mr van Hilten said, and Singapore, as a "balancing" refinery location, seemed vulnerable.

Dr Toshiaki Ushijima, executive assistant to the president of Japan's Mitsubishi Oil Company, said increased imports of Asian oil and gas were important to Japan's efforts to diversify its supply and reduce dependence on the Middle East.

The Middle East supplies 70 per cent of Japan's oil needs. However, Asian countries' chances of reducing these "will not be too great."

On the gas front, on the other hand, Japan expected to increase LNG imports, which reached 18m tons in 1982, half from Indonesia and another 29 per cent from Brunei.

Tuan Haji Ismail executive director (finance) at Petronas, the national oil company, said Japan's LNG imports from Malaysia would increase to 6m tonnes per year by 1986.

Tuan Haji Ismail said Petronas would start phasing out traditional production-sharing contracts in favour of contracted services where it became necessary, in the current economic climate, to maintain exploration activities.

He also revealed that negotiations were proceeding with Singapore on the piping of gas to the city state. He said a decision on the plan was expected by next year.

Dr Tongchat Hongladaromp, governor of the Petroleum Authority of Thailand, said natural gas production from Thailand's Erawan field was 150m cubic feet per day, less than the 250m cu ft figure expected by now.

The 1990 target for total natural gas supplies, he said, was 700m cu ft per day, most of this coming from concessions other than Erawan.

Oil production, from Thailand's north-central region, would meanwhile increase from the current level of 5,000 b/d to 10,000–20,000 b/d during the next two years.

He said Thailand wanted to construct a gas separation plant and an

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LPG bulk storage and distribution network and had plans for an ethylene-based petrochemical complex, to be completed by 1987.

Opening the conference, Mr Geromino Velasco, Energy Minister in the Philippines, said his country was looking for 50 per cent energy self-reliance by the end of 1985.

Domestic oil production in the Philippines now amounted to 21,000 b/d from three shallow water fields, he said. Another deeper field, Galoc, was being developed with the help of a U.S. consortium.

Meanwhile, the country had become the world's second largest producer of geothermal energy after the U.S.

Ir Wijarso, director general of Migas in Indonesia, said Indonesia's geothermal plants would have a capacity of 305 MW by 1989, but amounted to only 30 MW at present. The country's energy authorities were concentrating their efforts on coal, while significant growth recently had been recorded by the gas sector.

Australia, too, has the potential to remain a major energy exporter for many years, according to Mr Denis Ives, deputy secretary in Australia's Department of Resources and Energy.

Energy exports, excluding uranium and refined petroleum products, could be about $7bn in 1991–92, made up of $5bn for coal and $2bn for natural gas and LPG

Giving a European company's view of energy developments, Mr Daniele Milvio, chairman of the Italian power engineering group Ansaldo, said the energy crisis of the 1970s had brought about an "intense restructuring" of company perspectives.

There was now overcapacity in the world market for power engineering, and in coming years the conventional power market (thermal and hydro) would diminish.

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TECHNOLOGY

EDITED BY ALAN CANE

IN EUROPE, COMPUTER SERVICES HAVE GROWN BY 14 PER CENT FRENCH COMPANIES ARE IN THE TOP TEN

France leads the way in computer services

BY ALAN CANE

THE FRENCH *are setting the* pace in the European computing services industry against a general background of consolidation and retrenchment.

Major French companies are showing geographical expansion as well as acquisition. CISI, for example, the second largest French services company has established a wholly owned subsidiary in Belgium while Sligos, Steria and Sema each opened new regional offices last year.

On the ownership front, Sema Metra has obtained a controlling interest in a number of companies including the German military controls specialist GFS-Midas, while GSI bought Data France, the data base subsidiary of Sligos. CAP/Gemini/Sogeti acquired a 35 per cent holding in Sema and the Compagnie Generale d'Industrie et de Participations, a French holding group, bought a stake in CAP/Gemini/Sogeti.

Diversity

This picture of diversity and change within the single largest market for computing services in Europe emerges from a survey prepared by the consultancy Quantum Science Corporation for the European Computing Services Association (ECSA).

The survey shows that total user expenditure on computing services reached $8.1bn in Western Europe last year, a growth of 14 per cent over the previous year.

Growth was led by the professional services sector which includes consultancy, turnkey systems and systems implementation and software products. In comparison, processing services—traditional computer bureau work in others words, is declining. The ECSA report shows that while the value of batch services sold in Western Europe last year was $2.15bn out of total of $8.14bn, its growth rate was negative.

The new emphasis among services companies on hardware-related products is brought out clearly in the survey which shows that while there was growth of over 18 per cent in local currency terms in Italy, Spain, France and the UK, this growth was associated with an increase in hardware revenues—the average increase in hardware revenues was over 40 *per cent.*

The survey notes: "Markets for hardware-related solutions offered by services companies are still distinct. In the Scandinavian countries the replacement of batch services still forms the largest activity whereas in Italy, Spain and the UK, hardware solutions are addressed primarily at new users. Products sold in conjunction with hardware contributed to a reported 50 per cent increase in software products revenue in half of the ECSA country markets."

Top company

The top computer service company in Western Europe is the remote computing services arm of IBM with revenues of $180m closely followed by Scicon of the UK (owned by BP) with revenues of $175.4m and the SG2 Group of France (owned *by Societe Generale with some* private funds) at $165.4m.

Of the top ten services companies, five are French, two U.S. and the other three are UK, German and Italian owned.

The survey warns that new *approaches will be necessary* in the 1980s as industry software standards—for example, in operating systems, emerge. It suggests there will be a need to focus development effort on factors giving strong product and service differentiation.

The focus will be, it suggests:

- Enhancement to standard operating systems, for example, with virtual memory and fault tolerance.
- Overlay products, especially information management software such as small scale relational data bases—automated card indexes essential to many professions.
- Occupational and department orientated applications.
- Software developed to give a consistent user interface, whether the application be implemented at the workstation, local cluster, corporate mainframe or on an external service network.

It also argues that with the adoption of dispersed data processing—that is, when a wide range of end users gave direct access to computing power, a new generation of networked support services will emerge in *the next decade.*

The kind of service this implies includes electronic mail, where personal terminals are linked for message passing and software trials making it possible for new software to be demonstrated to potential users.

The survey goes on: "A major new development will be the use of networked services to *enhance the effectiveness of* distribution channels—not only the channels which support information systems, but also distribution channels for many other goods and services."

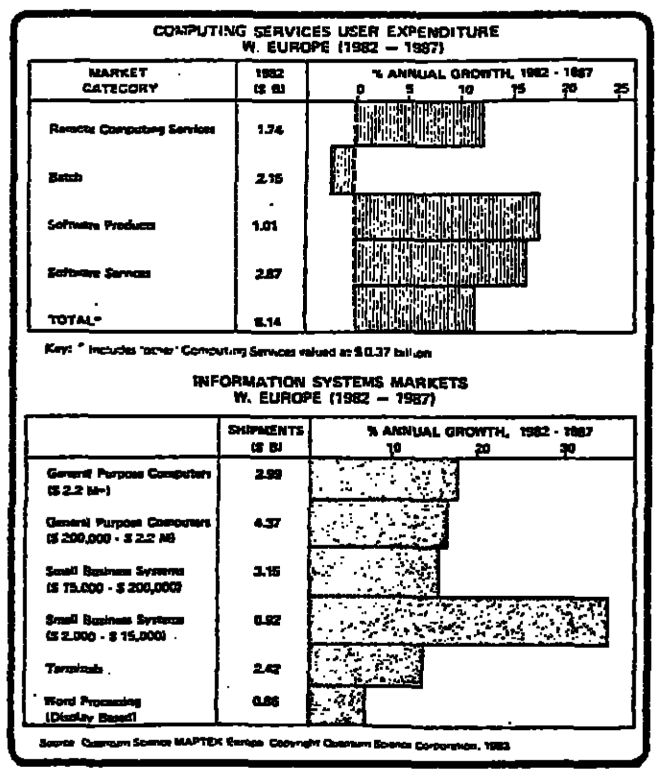
The range of services which will begin to be offered to dealers, it suggests, will include data bases for replies to advertisements, record of prior purchases by customers, data bases of prospects, specialised mailings to support individual promotions, customised data bases for aftermarket follow-up and account and credit files for regular customers.

The ECSA report concludes: "Such services will become widespread and the computing services industry in Europe occupies a unique vantage point from which to address a new generation of services."

COMPUTING SERVICES INDUSTRY IN W. EUROPE

	Computing services user expenditure‡ 1982 ($m)	Forecast growth rate 1982-83 ECSA‖ members	QSC¶	Inflation§ 1982-83	Gross domestic product° 1982 ($bn)	Computing services as % of GDP
Austria	126.0	n.a.	7.5	4.5	66.6	0.19
Belgium	294.0	15.7	12.7	7.5	84.7	0.35
Denmark	311.0	13.6	10.6	6.3	55.2	0.56
Finland	243.0	24.1	12.0	9.5	48.3	0.50
France	1,690.0	23.9	13.5	9.3	537.0	0.32
W. Germany	1,220.0	10.7	9.7	3.5	655.0	0.19
Ireland	59.7	20.5	15.0*	12.5	17.5	0.34
Italy	818.0	16.6	13.5	16.3	348.0	0.24
Netherlands	579.0	11.6	12.4	4.6	138.0	0.42
Norway	261.0	12.1	9.3	10.0	56.4	0.46
Portugal	20.8	†	16.0*	20.8	22.6	0.09
Spain	233.0	18.4	15.7	13.0	180.0	0.13
Sweden	386.0	18.0	8.0	9.8	98.5	0.39
Switzerland	405.0	11.7	8.1	4.3	95.5	0.42
UK	1,490.0	15.9	14.5	5.8	472.0	0.32
Total W. Europe	8,140.0	—	12.2	9.0	2,880.0	0.28
U.S.	13,800.0	—	14.3	6.0	3,160.0	0.44

‡ 1, 3. ¶ Quantum Science MAPTEK Europe and MAPTEK USA. Copyright Quantum Science Corporation, 1983.
‖ ECSA members' estimates are calculated in local currency values and are from unweighted survey sample.
¶ QSC forecasts are from Quantum Science Data Bases and are weighted.
§ GDP deflator. OECD data.
° OECD and National Statistical Organisations.
† Small Sample.
* Estimated.



Seeking rationalisation

THE COMPUTER services market world-wide was still fragmented and looking for rationalisation, Dr Douglas *Eyeions, director general of the* UK Computing Services Association, said yesterday.

Pointing out that no company, including the U.S. corporations, had even 5 per cent of the world market for computer services, he said the ECSA report was ahead of its time.

"There is not yet a European computer services market, although that is the impression we would like to give the world."

Commenting on the report he said: "It is something we are trying to create, but at present Europe is a collection of 14 separate national markets.

"So to lump all billings together to give a total of $8.1bn is arbitrary but a step in the *right direction."*

He said the French domination of the European scene was a consequence of the size of the major French companies like CISI and CAP/Gemini/Sogeti, coupled with strong government support.

He said that UK groups like BP (Scicon Group) and Thorn EMI (Datasolve and Software Sciences) were responding by setting up large computing services groups within their own organisations.

Among UK services companies, Scicon came top of the list with IBM in second place followed by ICL Consultancy and Training, Logica, Thorn EMI and Hoskyns. Turnover per employee in the UK was £25,000 in 1982 compared with £22,800 in 1981.

More than 50 per cent of UK companies are now selling hardware, in comparison with 66.7 per cent of Spanish companies, 61 per cent of German companies and 53 per cent of French companies.

Computers

Rise of portables

TWO OUT of three microcomputers sold worldwide will be portable machines, according to the latest study by Frost and Sullivan. The report, which looked at microcomputers selling between U.S.$400 and U.S.$10,000, says that low cost units will only account for 20 per cent of sales.

By 1987 the market for portables is projected to reach 3.4m units or about U.S.$3.1bn at 1982 prices. Last year's figures were 553,000 units, representing sales of U.S.$412m. The study cost U.S.$1,275 and more information is available in the U.S. on 0101 212 233 1080 or in the UK on 01-486 8377.

Software

Simpler programs

DR LOGO, an educational programming language which the operating software specialists Digital Research believes will be important in the development of simpler programming systems will soon be available on the IBM Personal Computer and the PC-XT high performance version.

It has its own operating system and advanced editing and debugging features and work-space management tools. It makes heavy use of graphics including a "turtle," a triangular pointer which can be moved leaving a trail in one of four colours. It costs $149.95 in the U.S. Digital Research in Europe is on 0635 35304, in the U.S. on (408) 649 3896.

Components

Linear actuator

A LOW-COST linear actuator has been introduced in the UK by Unimatic Engineers, London. The unit has built-in potentiometers which permits automatic positioning. It provides up to 3,000N thrust and speeds up to 39mm/sec.

Electronics

Tickets get radio link

CO-OPERATION between Pye Telecom of Cambridge and Control Systems of Uxbridge has resulted in the development of a data interface for use between the Farespeed electronic ticket machine and the Pye 900 two-way radio.

Thus a data link is provided between the point of ticket sale and the digital signalling module of the radio, allowing valuable information to be sent to headquarters control automatically.

While bus drivers have only to issue tickets as before, their controllers can be fed information about the location of the bus, how full it is, and whether it is on schedule. Only then need the radio be used in its speech mode to give assistance or instructions to the driver.

The information sent digitally can be stored centrally in the computer and extracted later, or used immediately either from print-out or monitor screen.

Pye believes that passengers and bus operators alike will benefit from the new system's reporting speed, enabling events such as breakdowns and traffic hold-ups to be dealt with quickly.

Pye's FM 900 set is an intelligent frequency synthesised mobile radio incorporating a large capacity microprocessor with software options that allow linkage with other systems like vehicle location and monitoring. More on 0223 61222.

Addendum

We would like to point out that the cigarette inspection device quoted in an article on Pilkington published on August 23 1983 was, in fact, developed and patented by Gallaher. Pilkington makes the device to this design. The inspection device is intended as an improvement to existing quality control.

Brazil slows pace of negotiations on debt

By Andrew Whitley in Rio de Janerio

BRAZIL HAS signalled to the international financial community that it is slowing down the pace of its efforts to conclude a new agreement with the International Monetary Fund, on the grounds that speed is no longer necessary.

On Tuesday night, Sr Ernane Galveas, the Finance Minister, gave the clearest indication so far of what seems to be a new, more relaxed approach by Brazil to negotiations with its foreign creditors. He said the revised Letter of Intent to the IMF, which is awaiting the Brazilian Government's signature, would not be sent to Washington either this week or next.

Sr Galveas' statement differed significantly from the previously accepted scenario of events in arguing that negotiations with the international banks on Brazil's refinancing programme did not necessarily depend on the signing of the Letter of Intent.

Mr Jacques de Larosiere, the Fund's managing director, could give the green light to the banks on the basis of the IMF team's report concluded last month, he said.

Sr Galveas also said that the economic targets Brazil is to abide by under the terms of the Letter of Intent were more flexible, although the substance remained unaltered.

For example, the inflation estimate for 1984 of 55 per cent could be allowed to rise to 65 per cent, he said, while the public sector defisit could even swing into a small surplus, beyond the target of a balance in receipts and expenditure.

The change of tactic by Brazil has coincided with the resignation last week of Sr Carlos Langoni as the central bank governor, in a row with other ministers over whether some of the IMF's targets were realisable in the short time envisaged —and whether they were necessary.

Meanwhile, it has been announced that Sr L uis Sande, president of the heavyweight federal development bank, the BNDES, has been dismissed.

No official explanation has been given for the dismissal of Sr Sande, who commanded a huge financial empire

The new head of the BNDES is Sr Jorge Lins Freire, a former Finance Secretary of Bahia state and ex-president of the National Association of Development Banks.

Peter Montagnon in London writes: Despite Sr Galveas' comments, commercial banks are expected to insist on Brazil signing its IMF letter of intent before they disburse any new money. "It is a necessary condition for the disbursement of any further loans by the IMF and the banks," said one yesterday.

They were also surprised by Sr Galveas' suggestion that the targets set out in the programme are flexible. While Brazil may not be committing itself to a particular rate of inflation in the programme, the basic policy targets such as that of balanced government accounts are sacrosanct

One interpretation being put on his remarks by foreign banks yesterday was, however, that the Brazilian Finance Minister may be seeking to persuade an anxious public that Brazil still has some control over its own domestic economic policy.

Who ordered the shooting down of the Korean jet?

Incident may signal Kremlin power struggle, argues Ian Davidson

THE FIRST Western reactions to the Soviet shooting-down of the Korean airliner were of horror and incredulity. Right-wing commentators put it down to the barbarity of the Soviet regime; others speculated about the rigidity of the Soviet military rule-book: Soviet paranoia at fears of foreign invasion, or even error on the part of the Soviet pilot.

But if it is true, as some in the U.S. now claim, that there is clear evidence the decision was taken in Moscow, not at some local or regional level in the Far East, then to the original reactions of horror and incredulity must be added a new sense of alarm

If the decision was taken in Moscow at a very senior military level—and the time required for such consultation would go far to explain the 2½ hours the Korean airliner was in Soviet airspace before it was shot down—then it follows that the action was deliberate and calculated, taken by people who must be assumed to have weighed fully all its consequences.

Among other things, they cannot fail to have been aware that the critical negotiations on European missiles were about to reconvene in Geneva; that Mr Andrei Gromyko, the Soviet Foreign Minister, was about to meet Mr George Shultz, his U.S. opposite number, at the European security conference in Madrid; and that the strategic arms talks would be reconvening in Geneva in a few weeks time.

They will also have been conscious that President Ronald Reagan recently made a small conciliatory gesture in the signature of a new long-term grain agreement with the Soviet Union; and that Mr Yuri Andropov the Soviet leader had himself made a small conciliatory gesture with a new offer in the Euromissile negotiations.

If therefore the shooting was carefully considered at the highest military levels, but without any consultation with civilian leaders, the timing can only reinforce speculation that some people in the Soviet military hierarchy actively wanted to precipitate an international furore. Such a furore would be likely to undermine any prospects of arms control agreement with the U.S., let alone the kind of arms *reduction* which has long been contemplated in the Strategic Arms Reduction Talks (Start), and which is now also contained in Mr Andropov's latest offer in the Euromissile negotiations.

In other words, the Korean airliner disaster raises the question whether the civilian leaders in Moscow are as fully in control of the military as Soviet ideology has always claimed, or whether there may not be a major policy struggle under way. Such a struggle might not be inconsistent with Mr Andropov's relative newness in office and his known health problems.

It would also go far to explain the incoherence of Moscow's public comments on the disaster, which have included six contradictory stories in as many days. It would cast a very stark light on one of these stories, that the Soviet fighter pilot mistook the Korean airliner for a U.S. reconnaissance aircraft.

Given the very large differences in size and shape between a 747 and a 707 (the RC-135 reconnaissance aircraft is basically a Boeing 707), it is most unlikely that a trained Russian pilot could have made such a mistake. But if he did make a mistake, and the shooting was then deliberately orchestrated in Moscow, the implications are, if anything, even more alarming.

Some observers have drawn an analogy between this incident and the repeated and flagrant violations of Swedish and Norwegian territorial waters by Soviet submarines, including those with nuclear arms. Such violations may be useful to the Soviet navy, giving them practice in hiding in the archipelagoes and fjords of Scandinavia; but they have also had the powerful effect of alienating Scandinavian opinion from Soviet proposals for a nuclear-free zone in Scandinavia and the Baltic.

The Soviet shooting of the Korean airliner has sharply intensified anti-Soviet sentiment on the Right in the U.S.: if it is true that the decision was deliberately weighed at the highest military levels in Moscow, then that anti-Soviet sentiment will become even harsher, and will make it even more difficult for the U.S. administration to offer any gratuitous concessions in arms control talks in Geneva.

On the contrary, the cry "You can't trust the Russians" will reinforce demands for strict and instrusive verification methods, such as on-site inspection.

One repeated Western demand in recent days has been that the Russians should give a guarantee that such an outrage will never occur again. A guarantee of this kind is by definition, almost impossible to give: accidents can happen. It is even more difficult to give if the shooting was deliberate.

Chilean police detain 40 on eve of protest

By Mary Helen Spooner in Santiago

CHILEAN police arrested at least 40 people during a protest march against General Augusto Pinnochet's regime on Tuesday night. Approximately 300 demonstrators blocked traffic and shouted anti-government slogans but were dispersed by police trucks with water cannon.

Scattered demonstrations have taken place in Santiago and other Chilean cities during the past few days as the country prepares to face a fifth national day of anti-Government protest today and the regime prepares to celebrate its 10th anniversary on Sunday.

At least 30 people have been killed, with more than a 100 wounded and more than 2,000 arrested during the first four monthly protests this year.

Last month, the regime ordered an 11 hour curfew and mobilised 18,000 troops in the capital to curb any disturbances. Gen Pinochet however, has indicated he does not plan to dispatch army troops to keep order during today's protests.

Chile's major opposition groups, including the multi-party Democratic Alliance and the National Labour Command, have publicly urged Chileans to take part in the protests by boycotting public transport, leaving school children at home, and beating saucepans in the evening.

Supporters of Gen Pinochet's regime are planning to hold a pro-Government parade tomorrow. A right-wing group, the Pro Patria League, has said its supoprters will form "civic commands" to defend the Government against its Marxist enemies.

British airline pilots back ban on flights to Moscow

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

FLIGHTS by British Airways between London and Moscow will be suspended for 60 days from tomorrow morning as a result of a decision by the British Air Line Pilots' Association, which represents over 3,000 pilots in BA, and over 4,500 throughout the UK.

Balpa was reacting to the decision announced late on Tuesday by the International Federation of Air Line Pilots' Associations (Ifalpa) urging all its members—over 57,000 in 67 countries—to implement such a ban in protest at the destruction last week by the Soviet Union of a Korean Air Lines' Boeing 747 with the loss of 269 lives.

Throughout yesterday, other individual national pilots' bodies began to react to the Ifalpa boycott plan. Pilots' associations in Scandinavia and France said they would implement the ban, and Australian pilots put a ban on internal domestic air travel by Soviet diplomats and other officials.

The Ifalpa remains confident that over the next few days, the ban is likely to become stronger, and that by early next week, it could be almost total—so far as the pilots are concerned.

Yesterday, it was not clear what the British Airways management's own reaction to the boycott would be. There is considerable sympathy with the pilots' views, and it is possible that today, the management will itself declare that, because of the pilots' action, it is obliged under "force majeure" to formally suspend services for the 60-day period.

That decision would be effectively academic, since the pilots will implement a ban anyway. But it would get the BA management out of diplomatic difficulties with the Soviet Union, because for the airline to sever services of its own accord would be a breach of the Anglo-Soviet civil air agreement.

BA has four flights a week between London and Moscow. What precisely is going to happen to Aeroflot's own four flights weekly between the two cities, and its once-weekly London-Leningrad service, was not clear yesterday. So far, the British Government has not decided to suspend Aeroflot's operations.

The UK pilots' action does not affect Aeroflot directly. Apart from any direct UK Government ban on Aeroflot, the only way that airline could be inconvenienced would be if UK air traffic controllers and ground handlers decided not to facilitate Aeroflot flights over UK territory.

In terms of commercial damage to BA and other airlines, the ban on the flights is likely to be minimal. This is because BA and other Western airlines can re-route passengers to Moscow via Eastern European cities (Warsaw, Prague, Budapest, Sofia or Belgrade) where connections direct to Moscow and other Soviet cities are available.

Travellers may find their journeys longer and more circuitous, but they will still be able to get to the Soviet Union if they want to.

On that basis, the pilots' ban is more of a symbolic gesture than one deliberately designed to damage air transport links between the West and the Soviet Union.

Nevertheless, the pilots strongly believe that it is a gesture that must be made, in order to demonstrate their revulsion at the Soviet Union's attitude and to try to win guarantees from Moscow that there will never be any repetition of the affair.

Part of the Ifalpa decision on Tuesday was to call for such guarantees. So far, there is no clear indication of precisely what the guarantees being sought are.

Other air links between the UK and Moscow are provided by Japan Air Lines, with three flights a week between London and the Soviet capital. So far, there is no indication of what the Japanese airline intends to do.

Elsewhere yesterday, the Scandinavian Air Line Pilots' Association, representing about 550 of the 1,220 pilots in the Scandinavian Airlines system, said its members would enforce the suggested ban from Tuesday.

In Australia, the Federation of Air Line Pilots said that Soviet diplomats and officials would be banned from flying on Australian domestic flights for 60 days from yesterday.

In France, the pilots decided to boycott Soviet flights from next Monday, but Air France, the flag airline, claimed that no decision to suspend flights was being considered.

Bahamas calls for inquiry into bribery allegations

BY NICKI KELLY IN NASSAU

THE Prime Minister of the Bahamas, Sir Lynden Pindling, has asked U.S. President Ronald Reagan for a federal inquiry to determine the source of a recent NBC television news story alleging he and other Bahamian government officials were being bribed to protect a major drug distribution operation run from the islands by fugitive millionaire Mr Robert Vesco.

The network quoted a U.S. Justice Department intelligence report stating that an associate of Mr Vesco has been "allegedly paying approximately $100,000 (£66,667) per month to Bahamian officials, including the Prime Minister."

Sir Lynden denied the allegations, calling the NBC report a "criminally conceived conspiracy against the Bahamas."

He said Mr Vesco, who is wanted in the U.S. in connection with the disappearance of $224m from the IOS mutual fund he controlled, was deported from the Bahamas in April 1981.

The Prime Minister said he has instructed all the relevant government agencies to investigate the allegations concerning the alleged Vesco drug operation and to enlist the co-operation of all U.S. government agencies claiming to have relevant information.

The NBC revelations are seen here as part of a co-ordinated effort by U.S. law enforcement authorities to discredit the Pindling government and force relaxation of the Bahamas's tough secrecy laws.

The U.S. Internal Revenue Service and Justice Department have alleged that bank secrecy has been used as a screen by U.S. tax evaders and drug smugglers to launder billions of dollars through offshore tax havens like the Bahamas.

A U.S. Senate committee report earlier this year recommended vigorous pursuit of Bahamians "at any and all levels" who are involved in the drug traffic.

The study suggested that if these persons could not be arrested in the U.S. and if extradition was denied, widespread publicity should be given to the charges and to evidence not prejudicial to later trial.

Last March the Bahamian Government suspended the licence of Columbus Trust Company, once a part of Mr Vesco's business empire, after U.S. authorities claimed it was being used by its American clients as a depository for illegal income.

WORLD TRADE NEWS

China ends ban on imports of U.S. farm products

BY MARK BAKER IN PEKING

CHINA has lifted an eight-month ban on imports of U.S. cotton, soybeans and chemical fibres and will increase imports of other agricultural products.

Chinese officials have not indicated what levels of new purchases are being contemplated, but they have hinted that increases are likely in grain imports.

The move, announced by the Foreign Trade Ministry yesterday, puts an end to a bilateral trade row that has soured relations between the two countries over the past year.

The end of the row was signalled last month when the two Governments signed an accord allowing China an annual increase of 2 to 3 per cent in exports of textiles already covered by quotas. The ban on orders of cotton, soybeans and chemical fibres was announced in January in retaliation against U.S. moves to cut quota increases on Chinese textile exports to the U.S.

In a brief announcement today, the Chinese Trade Ministry said that "in view of the current situation" the January ban would be scrapped.

A Foreign Ministry spokesman, Qi Huaiyuan, indicated later that China was already preparing to make new purchases in the areas covered by the ban and in grain.

"One obstacle in the trade between the two countries has been lifted which will contribute to increased trade in grain and agricultural products," he said. "As to how much China is going to buy, that will depend on the principles of equality, mutual benefit and the exchange of goods needed to make up deficiencies."

The implementation of the ban was seen as largely symbolic at the time because China had already sharply reduced imports of U.S. cotton, soybeans and chemical fibres for other reasons.

It is believed that China still has good domestic supplies of cotton and soybeans because of good harvests and agricultural reforms. Chinese imports of chemical fibres from the U.S. fell from $269.6m in 1981 to $124.5m in the first 11 months of 1982.

The level of any new grain imports is also uncertain as China has experienced record harvests this summer in many grain-growing areas.

China imported only $183.6m of U.S. wheat in the first six months of this year compared with $624.5m in the first half of 1982. Corn imports rose to $158.1m from $82.1m.

British coal group plans Philippines power project

BY CHRIS SHERWELL IN SINGAPORE

BURNETT AND HALLAMSHIRE, British coal producer, wants to put up a $300m coal-fired power plant in a district containing 80m tonnes of lignite in the northern Philippines, Mr Geronimo Velasco, the Philippines Energy Minister, said in Singapore yesterday.

The Manila Government, in a reversal of its policy of retaining state control in energy developments, was encouraging the company to proceed. Mr Velasco, speaking at a conference on Asian Energy, said he thought the project could be successful.

The project is remarkable because it would be carried out at no cost to the Philippines Government. The company hopes to get back its investment by selling to the state-owned National Power Corporation, at existing grid rates, electricity generated by the plant.

Revelation of the development also comes at a time when the Government of President Ferdinand Marcos is concerned over continued economic support from foreign investors and bankers following the assassination of opposition leader Benigno Aquino on August 21.

Mr Velasco said the government was reluctant to become directly involved in the project because a 300 MW coal-fired plant was already under construction in the same region,

Gas turbine orders won by Cooper Rolls

By Lorne Barling

COOPER ROLLS, jointly owned by Rolls Royce of Britain and Cooper Industries of the U.S., the supplier of Coberra Gas Turbines to the oil and gas industries, has won two contracts worth a total of £15m to supply Rolls Royce RB-211 powered compression systems to operators in West Germany and Alaska.

These bring orders for this equipment so far this year to 15 complete sets valued at more than £50m, despite the still difficult conditions in world oil and gas markets.

Rolls Royce said that while demand for large units—mainly for power generation—had fallen recently, equipment of up to 30Mw was still in good demand.

The West German order is for two Coberra 6000 gas turbines, placed by Pipeline Engineering on behalf of METC Haan. The two RB-211 power units, each rated at 29,000 h.p., will drive Cooper Bessemer compressors at METG's Porz pumping station, where their use will be for natural gas compression.

The contract was won through Cooper Vulkan Compressoren, a joint venture company of Cooper Energy Services, of Mount Vernon, U.S. and Bremer-Vulkan Compressoren of Bremen.

The other two RB-211 Coberra 6000 turbines, for Alaska, are up-rated versions each with an ouput of over 33,000 h.p. These have been ordered by Bechtel Petroleum for the Sohio Construction Company.

Coupled with Sultzer Brothers compressors the two sets will be used on Alaska's North Slope, providing natural gas lift for oil recovery, in the Prudhoe Bay field. Delivery on both contracts will be in mid-1984.

The Coberra 6000 compression system combines the fuel efficient RB-211 gas generator with Cooper design power turbines. The RB-211 for these two contracts will be supplied from the Rolls Royce facilities at Ansty near Coventry, and Montreal, Canada. Work at Ansty is estimated to be worth £6m.

Lorne Barling reports on a Corby company's success in exporting animal feed units

How to grow grass on the back of a lorry

A CONTAINER-SHAPED unit in which grass can be grown artificially at the rate of one tonne per day is proving to be a major export success for its manufacturers, Hydrodan of Corby, a company which is backed by Kuwaiti investment.

After about ten years of development, partly by a Spanish company, the concept of using this hydroponic system to feed animals where land will not support them is catching on fast around the world.

The Middle East is the largest market, with orders worth around £800,000 having been placed, mostly in the past few months. Japan, is also a promising market, because high land prices, as is Australia because of its arid conditions.

As much grass as 25 acres of land

Hydrodan is now examining the prospect of selling its units for portable use, such as on ships carrying live animals, and on the back of lorries, which is already being tried in Australia.

Mr Geoffrey Lusty, the company's managing director, said: "The main advantage of our system is its total reliability to produce as much grass as 25 acres of land on a continuous basis, regardless of weather conditions."

The Hydrodan Landsaver was launched at the royal show at Stoneleigh in October 1981, and was met with the natural scepticism of British farmers. Initial sales in the UK proved to be slow and the company, established in Corby with substantial grants available following steel closures, fell behind its targets.

Mr Lusty, originally a boat-builder who had constructed a number of high-speed power boats for his Kuwaiti backer, then went to the U.S. to examine similar ventures in an effort to solve the problem.

He came back believing that smaller and less expensive units than the £20,000 one-tonne version were needed, and introduced two smaller models which allowed farmers to try the system at less investment cost.

"Every sale in the UK has since led to another sale, purely through word of mouth or satisfaction with the results," Mr Lusty said, claiming that the grass produced is comparable in cost to that grown under normal conditions.

While admitting that land is a better long-term investment, since it is almost certain to appreciate in value, he suggests that the Landsaver is ideal for farmers who want to increase their stock without buying more land, which may not be readily available nearby.

One farmer with little more than a single field and a shed in which to house cattle is now building up a sizeable herd by using the system, he said.

However, Mr Lusty admits that the European market is slow compared with the rest of

the world, because of its comparatively fertile land and favourable weather conditions.

The original concept of the Landsaver came from Spain, where the first versions were produced for Middle Eastern clients. These had two serious drawbacks—panel construction which created cracks in which bacteria could breed and destroy the crop, and a time-consuming manual system of moving trays daily to allow for the growth of grass.

Mr Lusty's experience in glass fibre boat construction allowed him to build units of shoe box shape which could be sealed together, and he designed a mechanical system to rotate the trays.

Pumps also had to be modified to operate off low-power electricity supplies.

The module has a sump which is supplied with water, nutrient is added and sprayed on to the growing trays in an automatically controlled cycle.

Of the 672 trays in the Hydrodan one-tonne version, 84 are harvested daily and will provide feed for as many as 120 cows, the company says.

Production was transferred to the UK from Spain in early 1981, and £300,000 was invested in the company, with Kuwaiti interests holding 78 per cent of the equity, the Industrial and Commercial Finance Corp (ICFC) holding 13½ per cent and Mr Lusty 8½ per cent.

Grants of £15,000 from British Steel Industry and £30,000 from the European Coal and Steel Commission were received, and the factory was in an area later designated as an enterprise zone. Overall benefits amounted to more than £500,000 over ten years.

Strong enquiries from the Far East and Australia prompted a visit by Mr Lusty to about a dozen cities in the region earlier this year, with remarkable results. In 18 days he had received letters of credit worth nearly £200,000.

In Hong Kong, he quoted for a 12-tonne a day version for a Kowloon dairy which is short of fresh animal feed. In Korea a textiles magnate took on the role of sole importer, while in Japan a major company has offered a local manufacturing deal.

Prospective buyers in Australia were impressed by the low water to grass ratio the landsaver requires, and Hydrodan now has plans to offer a de-salinisation system,

Problems of growth are becoming evident

so that the unit can be run off sea water.

Mr Lusty admits that the problems of growth are now becoming evident, since present turnover of around £1m a year could rise to £6m in four to five years, particularly if foreign market expectations are correct. Scandinavia and other countries with a short growing season are also seen as important, and as yet they have hardly been explored.

TELEPHONE LINKS FOR COMMONWEALTH TALKS

Britain's timely gift to India

BY JOHN ELLIOTT IN NEW DELHI

COMMONWEALTH leaders should be able to comunicate relatively easily with their home bases for a least two days of their week-long stay in India in November for the Commonwealth heads of government meeting.

The British Government is making a gift of two rural electronic telephone exchanges made by Plessey to be installed in the former Portuguese colony and holiday centre of Goa south of Bombay where the heads of government are holding a weekend retreat.

The Indian telephone system is one of the worst in the world and the Indian Government is only just beginning to accept that the country's economic development is being seriously impeded by the crossed lines interferences, line breaks, and general chaos that accompanies any attempt to communicate by telephone.

The government is now beginning to place millions of pounds worth of orders for various forms of telecommunications equipment and Plessey is tendering for an order worth about £20m to £23m for rural exchanges. Its tender will be considered in about a fortnight so Mr Kenneth Baker, British Industry Minister now visiting India, made a timely gesture when he announced the gift which will now be rapidly installed in Goa.

Plessey would supply technical knowhow if it wins the contract, and help to set up four or five factories to produce the exchanges in partnership with the Indian public sector.

Mr Baker finished his week-long visit to India last night having had talks on an order worth up to £500m which the British Steel Corporation hopes to negotiate for modernising India's Durgapur steelworks, and on other telecommunications and railways orders that are being chased by GEC, STC, and other companies as well as Plessey.

He has invited Indian Government officials to visit the UK to study the British Government's programme on computers in schools and has suggested that India and Britain should set up a monitoring committee on telecommunications that would meet every six months.

Leyland Zimbabwe venture

BY JOHN GRIFFITHS

A NEW joint venture to import Landmaster truck kits to Zimbabwe has been set up between Land Rover-Leyland's Zimbabwe subsidiary and Zimitra, a privately-owned Zimbabwean company.

Leyland Zimbabwe and Zimitra have acquired Rootes Central Africa (Pty), an importing company previously owned 77 per cent by Talbot Motors and 23 per cent by GKN Fasteners.

RCA is to be renamed, and will import the medium-weight Landmaster trucks in kit form from Leyland's Bathgate, Scotland plant. It will hold the sales franchise for the trucks, but they will be assembled by Leyland Zimbabwe at its plant at Mutare.

Air Call in U.S. business centre joint venture

BY RAYMOND SNODDY

AIR CALL, the UK telephone answering services company, yesterday announced a major U.S. joint venture to set up advanced electronic business centres in major American cities.

The joint venture is with Combined Network, an independent telephone company, and the first of a series of new business centres is due to open in Chicago in October.

The centres, which are intended to be an electronic services version of a fast food chain, will offer businessmen advanced telex, electronic mail, service dispatch as well as computerised answering services.

Combined Network will fund the first $7.5m cost of the venture.

Mr Warren Tayler, managing director of Air Call, said yesterday he believed the turnover of the U.S. operation would reach $70m by the fifth year with substantial profits.

Mr Tayler said that Air Call had already spent about £1m developing the business centres. The concept had become possible in the UK because of liberalisation of the telecommunications market.

The first system should be connected in the UK later this year. Eventually Air Call plans to turn all of its 35 telephone answering and radio paging centres in the UK into computerised business centres offering electronic services to local business communities.

Air Call had already sold systems and the expertise to run them in Sweden and Switzerland but yesterday's announcement is the first major joint venture.

Mr Tayler said yesterday that after years of going to the U.S. for technology it gave his company a tremendous boost to have a company such as Combined Network coming to the UK in search of expertise.

New Zealand to review car import loopholes

BY DAI HAYWARD IN WELLINGTON

NEW ZEALAND'S Ministry of Customs has ordered an urgent review of loopholes in New Zealand customs regulations on imported cars which have allowed two of the major multi-national car companies to "launder" car packs from Japan.

The majority of cars come into New Zealand in completely knocked down (CKD) form for local assembly.

CKD cars from Japan carry a 45 per cent duty but the duty on Australian and British car packs is only 6.25 per cent.

Ford and General Motors have been importing Japanese car packs through Australia. They add sufficient Australian components to qualify for the preferential 6.25 per cent duty.

According to Ministry officials this has meant a saving of up to NZ$1,500 (£650) on each vehicle. Some car assembly companies and manufacturers claim Ford and GM have secured "an intolerable price advantage by laundering Japanese car packs through Australia." Ford calls the practice "multi-sourcing" and points out the practice is legal under national regulations.

When there were suggestions a few months ago that the preference tariff on British and Japanese cars be abolished both Ford and GM lobbied to have the preference returned.

In the tight competitive market in NZ, the benefits gained by Ford and GM have given them a competitive edge claim their competitors.

● For the first time the New Zealand Government has included Soviet-made vehicles in its annual bulk purchase of vehicles for Government departments.

Forty-four Lada-Niva four-wheel drive vehicles have been bought for land and survey, forestry and hydro-electricity work. Soviet vehicles will be imported completely bulit-up through Amalgamated Marketing, which is a leading exporter of New Zealand's primary produce to the Soviet Union.

The total Government vehicle order is for 3,082 vehicles ranging from heavy trucks to motor-cycles. It is worth $NZ45m. The biggest single order was won by General Motors which will supply 1,048 vehicles, a drop of 300 on last year's contract. The second biggest order goes to Nissan with 880 vehicles compared with 273 last year. Ford, 451, and Toyota, 278 vehicles, were other big contracts.

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY—Indices of industrial production, manufacturing output (1975=100); engineering orders (1975=100); retail sales volume (1978=100); retail sales value (1975=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1982							
3rd qtr.	102.5	88.3	84	108.9	150.7	2,837	111
4th qtr.	102.3	87.4	89	110.7	184.5	2,913	115
December	103.1	87.7	88	112.2	215.5	2,949	118
1983							
1st qtr.	103.6	89.4	88	111.1	153.1	3,003	124
2nd qtr.	103.7	89.3		113.6	158.7	2,987	135
January	103.0	90.0	86	110.1	154.7	2,983	122
February	104.4	89.3	96	111.1	148.9	3,001	124
March	103.5	89.0	82	111.9	155.1	3,026	126
April	104.0	89.1	93	112.9	157.8	3,021	134
May	104.5	89.9	88	113.7	159.1	2,970	131
June	102.7	88.9		114.0	159.1	2,968	139
July				113.5	166.8	2,957	153
August						2,941	162

OUTPUT—By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1975=100): housing starts (000s, monthly average).

	Consumer goods	Invst. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1982							
3rd qtr.	91.4	91.2	122.6	86.3	72.5	71.4	17.1
4th qtr.	92.4	89.6	122.0	85.5	69.3	71.5	15.1
1983							
1st qtr.	93.1	91.0	125.3	86.1	75.3	71.7	17.9
2nd qtr.	93.4	89.9	125.1	85.8	77.9	72.2	19.7
January	93.0	91.0	123.0	86.0	78.0	72.0	15.6
February	93.0	91.0	127.0	87.0	74.0	71.0	17.9
March	93.0	91.0	125.0	86.0	73.0	73.0	20.0
April	93.0	90.0	126.0	85.0	79.0	71.0	17.6
May	94.0	90.0	127.0	87.0	80.0	73.0	18.6
June	93.0	90.0	123.0	86.0	75.0	72.0	22.9

EXTERNAL TRADE—Indices of export and import volume (1975=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1975=100); exchange reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Resv. US$bn*
1982							
3rd qtr.	125.1	123.7	+609	+976	+1,313	100.5	18.3
4th qtr.	131.4	124.0	+1,262	+1,790	+1,736	99.3	17.0
December	135.0	123.8	+508	+684	+692	99.7	17.0
1983							
1st qtr.	129.5	131.2	−194	+482	+1,764	98.5	17.34
2nd qtr.	127.0	132.4	−654	+ 96	+1,490	100.4	17.71
January	120.8	133.5	−470	−245	+529	98.7	16.85
February	129.4	133.2	−121	+104	+613	98.6	16.58
March	138.3	126.8	+397	+623	+622	98.1	17.34
April	123.8	131.5	−310	− 60	+485	99.2	17.66
May	124.7	134.7	−506	−256	+420	100.5	17.92
June	132.4	130.9	+162	+412	+585	101.6	17.71
July	123.0	132.5	−350	−100	+440	101.4	17.94

FINANCIAL—Money supply M1 and sterling M3, bank advances in sterling to the private sector (three months' growth at annual rate); domestic credit expansion (£m); building societies' net inflow; HP, new credit; all seasonally adjusted. Clearing Bank base rate (end period).

	M1 %	M3 %	Bank advances %	DCE £m	BS inflow	HP lending	Base rate %
1982							
3rd qtr.	15.6	9.1	28.3	+4,738	1,798	2,323	10.50
4th qtr.	17.2	12.2	26.9	+4,293	2,139	2,473	10.13
December	14.9	8.8	23.2	+ 730	490	848	10.13
1983							
1st qtr.	9.5	8.1	10.6	+4,456	1,174	2,499	10.50
2nd qtr.	15.3	14.6	15.0	+5,025	1,071	2,498	9.50
January	7.2	6.8	6.7	+1,099	391	857	11.00
February	10.6	7.6	13.1	−1,309	386	792	11.00
March	10.7	10.0	11.9	+2,048	397	850	10.50
April	12.1	13.7	13.6	+2,010	433	783	10.00
May	15.6	13.5	12.8	+1,071	319	847	10.00
June	18.1	16.5	18.5	+1,944	319	868	9.50
July	14.0	12.5	21.5	+ 766	739	783	9.50
August							9.50

INFLATION—Indices of earnings (Jan 1975=100); basic materials and fuels, wholesale prices of manufactured products (1980=100); retail prices and food prices (1974=100); FT commodity index (July 1952=100); trade weighted value of sterling (1975=100).

	Earn-ings*	Basic matls.*	Whsale. mnfg.*	RPI*	Foods*	FT* comdty.	Strlg.
1982							
3rd qtr.	227.8	115.4	118.7	323.0	297.0	228.88	91.5
4th qtr.	231.3	119.4	120.1	325.4	298.5	238.84	89.1
1983							
1st qtr.	235.9	124.6	121.8	327.0	302.1	277.29	80.5
2nd qtr.	240.8	123.7	124.2	333.7	306.3	272.89	84.3
January	232.4	124.1	121.2	325.9	301.8	255.46	81.9
February	231.1	125.4	121.7	327.3	302.1	256.25	80.7
March	238.2	124.2	122.4	327.9	302.4	277.29	79.1
April	237.7	123.1	123.6	332.5	304.6	274.58	82.6
May	241.1	123.8	124.3	333.9	305.6	267.01	84.9
June	243.5	124.0	124.6	334.7	308.8	272.89	85.2
July		123.2	124.8	336.5	308.7	282.26	84.8
August						293.02	87.4

* Not seasonally adjusted.

TRADES UNION CONGRESS AT BLACKPOOL

Scargill attack on Solidarity meets rebuke

BY PHILIP BASSETT, LABOUR CORRESPONDENT

SENIOR British trade union leaders yesterday sharply criticised Mr Arthur Scargill, left-wing president of the National Union of Mineworkers, for a strongly worded attack on Poland's banned independent trade union, Solidarity.

The scale of the criticism, together with the decisive and far-reaching policy shifts of this week's conference of the Trades Union Congress (TUC), highlights the new isolation of the hard Left.

Mr Scargill in particular has seemed exposed, and even left-wing colleagues on the TUC general council are privately expressing their unease with his stridency, his increasing distance from his members, and the resultant fragmentation of a Left already in retreat.

The moves against Mr Scargill, clearly indicated earlier when the conference rejected his appeal not to talk to the Government on labour law, reached the floor of the meeting in Blackpool yesterday in a way that would have been unthinkable two years ago.

During the economic debate, Mr Alistair Graham, centre-right general secretary of the Civil and Public Services Association, drew applause from delegates when he said: "I believe that every time that Arthur Scargill comes on the television screen and talks about industrial action, then the trade union movement falls lower and lower in public esteem."

Mr Graham's statement was against the background of criticism from TUC leaders over a letter from Mr Scargill to Mr Michael Banda, general secretary of the far leftwing Workers' Revolutionary Party, printed yesterday in the party's newspaper, News Line.

In the letter Mr Scargill says he wishes to clear up any ambiguity about his position on Solidarity.

He writes: "I am opposed to Solidarity because I believe it is an anti-socialist organisation which desires the overthrow of a socialist state.

"I do not and never have supported measures which are against human rights, either in Poland, the Soviet Union or anywhere else, but I will not associate myself with those elements (including you) who seem paranoiac in their determination to smash a socialist system."

He hopes for unity to defeat the present Government "which makes the Polish administration seem almost amateurish by comparison."

Mr Scargill's remarks come only weeks after his speech in Moscow criticising the leaders of both the U.S. and Britain for their policies on peace, which attracted strong criticism from many quarters.

Yesterday's strongest attack was made by Mr Frank Chapple, the TUC president, who said: "I am shocked and surprised that anyone could take the view that Eastern European and Communist dictatorships can be supported. He is some sort of fool.

"I regard these sort of remarks as the ravings of an idiot."

The miners' delegation, meeting today, is likely to have to consider a censure motion against Mr Scargill, and there were suggestions yesterday that the union might reconsider Mr Scargill's appointment as president for life.

Mr Trevor Bell, leader of the white-collar of the miners' union, said: "He could be heading for trouble now." Mr Sid Vincent, the Lancashire area president, said: "You never know what he is going to do next. The miners have always been supporters of Solidarity."

Mr David Basnett, influential general secretary of the General and Boilermakers' Union said: "It occasions some surprise that a man who is a member of the general council should condemn a free trade union movement in another country."

Mr Terry Duffy, president of the engineers' union, said: "I think it is appalling that a trade unionist can condone murder and imprisonment of trade unionists in Poland who are trying to secure what we have in this country. I do not believe he is speaking on behalf of miners in this country."

Mr Scargill was absent yesterday – he had returned to his union's Sheffield headquarters because of a burglary there – but in a statement making virtually no mention of his opposition to Solidarity, Mr Scargill said the letter explained his "personal views."

He said: "I have always argued in support of free and independent trade unions throughout the world, recognising that they may hold views and advocate policies with which I personally disagree.

"The same is true for unions here in Great Britain. Regardless of whether I agree with their attitudes, I have always fought for their rights to determine and implement their policies.

"My reference to the Polish Government's amateurism is a reference to the clumsy, savage and brutal way in which they have dealt not only with Solidarity but with the Polish people, as compared to the subtle approach of Britain's Tory Government, which is steadily destroying the democratic structure of our own society.

"I pointed out in my letter that I felt that the energies of the British trade union and labour movement would be better employed in uniting to defeat Thatcher than internecine sniping such as News Line thrives on."

Mr Jerzy Milewski, a director of NSZZ Solidarity, the union's co-ordinating office abroad, said: "I am very sad at Arthur Scargill's statement, which could have been written by General Wojciech Jaruzelski."

Referring to the claimed deaths and imprisonments of trade union leaders in Poland, he said: "If Arthur Scargill were Polish, he would either be dead or in prison, or in hiding. That is the fate of leaders of Poland's workers.

"If Arthur Scargill equates socialism with a dictatorship that destroys free trade unions and keeps democratically elected union leaders in jail, then his use of language no longer corresponds to reality."

Attack on 'private world' of boardroom

BY OUR LABOUR STAFF

DEMANDS for public companies to be made more accountable to their shareholders and employees were supported by the TUC yesterday.

Mr Bryan Stanley, general secretary of the Post Office Engineering Union, spoke of a private world in which outsiders, especially shareholders, were unwelcome. Among the areas where the TUC would like to see improvements are:

- Procedures for nominating directors and chief executives;
- Provision of information to shareholders and employees;
- Ability of all shareholders to participate or not in decisions such as the use of company funds for political donations and more effective use of annual meetings as opportunities to question directors.

Mr Stanley accepted that there had been recent improvements in the content of annual reports and accounts. But he said this was usually information required by law, and boards of directors were still able to be selective about what other information they provided. Far too often awkward questions were brushed aside

If there was any doubt about why the TUC should be concerned about accountability in public companies and the interests of shareholders it should be remembered that many trade unionists were major shareholders through the investment of their pension funds, he added.

● MRS SHIRLEY WILLIAMS, former minister in a Labour government but now president of the Social Democratic Party, told a fringe meeting of trade unionists in Blackpool that the Labour Party was "moving along the road to decay so fast that it could no longer see the milestones pass."

She applauded the TUC's decision this week to open up talks with the Conservative Government on its planned reform of trade union legislation, and predicted a growing and irreversible rift in its relations with the Labour Party.

"There is now much influential support for a fundamental reappraisal of the direction and role of the trade union movement," she said.

● MAJOR increases in research and development funding in manufacturing industry were called for. The Association of Scientific, Technical and Managerial Staffs said that many overseas competitors spent up to three times more of their national resources than Britain.

● OPPOSITION to further industrial rationalisation schemes such as the one carried out in the steel castings sector by Lazard Brothers, the merchant bankers, was endorsed.

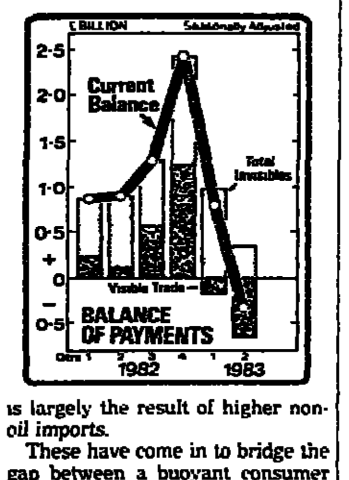
Mr Bob Garland, general secretary of the Amalgamated Union of Engineering Workers' foundry section, said it had been impossible for unions to obtain information about the scheme – which eventually resulted in plant closures and redundancies – on grounds of commercial confidentiality.

Quarterly deficit on current account largest since 1979

BY MAX WILKINSON, ECONOMICS CORRESPONDENT

BRITAIN's current account of the balance of payments moved sharply into deficit in the second quarter of this year according to revised estimates yesterday.

These put the deficit for the three months to June at £300m, the largest in any quarter since the beginning of 1979.



The second quarter deficit represents a sharp change compared with the first three months of the year, when the revised estimate suggested a surplus of £780m.

A large part of this change results from the erratic pattern of oil profits during the period. Profits earned overseas by oil companies fell in the second quarter, while profits remitted by British companies to overseas parents increased.

The current balance was also depressed by increased payments to the European Community in the second quarter. However, after these special effects are taken into account, it appears that Britain's current account is moving steadily from substantial surplus towards deficit.

The revised surplus for the whole of last year is now put at £5.4bn. Against this the surplus for the first half of this year is £466m.

The balance on visible trade moved from an average monthly surplus of £177m last year to an average monthly deficit of £140m in the first half of this year, and £220m per month in the second quarter. The increase in this deficit is largely the result of higher non-oil imports.

These have come in to bridge the gap between a buoyant consumer market and a slower flow of goods and materials out of stocks. The implication is that if stocks were to be rebuilt at an appreciable rate during the rest of the year, the current account might come under increased strain.

Some analysts believe, however, that the flat figures for UK industrial production this summer indicate that little stockbuilding has taken place so far, and that stocks may even be on the decline again in the third quarter.

Yesterday's figures showed that the surplus earned on financial and other services continued to increase in the second quarter to £2.21bn, compared with £2.12bn in the first quarter.

Lloyd's will screen top job candidates

BY JOHN MOORE, CITY CORRESPONDENT

THE LLOYD'S ruling authorities will informally scrutinise the backgrounds of candidates for the post of chairman of their insurance market.

Mr Ian Hay Davison, Lloyd's chief executive, has already said: "We must take great care in the choice of the new chairman so that no finger of criticism can be levelled against him."

The new informal procedures follow the announced departure of Sir Peter Green as chairman.

Mr Davison indicated this week that all members of the Lloyd's ruling council had decided to disclose their business interests to one another so that apparent and real conflicts of interest could be identified.

Sir Peter has decided to leave as chairman when he has completed one year of a possible second four-year stint on the ruling council. He will also come off the council.

Instead of the usual four places on the council, there are now, therefore, five.

Lloyd's is postponing the date for closure of the nominations from September 14 to 20 because of the increase in numbers required.

Three candidates are now running for office, including Mr Ivor Binney, of Bowring, and Mr Murray Lawrence, who head Bowring's underwriting interests. Mr Lawrence, a former deputy chairman of Lloyd's, is tipped to become the next chairman

Syndicates fight claim

BY OUR CITY CORRESPONDENT

TWO Lloyd's insurance syndicates, numbers 627 and 628 specialising in the insurance of livestock, are fighting a legal action started in the UK courts this week by two German insurance groups and an Italian insurance company.

The action has been started by the Deutsche Rückversicherung AG, Securitas Bremer Allgemeine Versicherungs AG, both West German insurance groups, and Compagnia Di Assicurazione di Milano SPA, an Italian company, against Mr James Neil Eric Butcher, who is being sued as the representative underwriter of Lloyd's syndicates 627 and 628.

The action is intended to recover money already paid out by the plaintiffs to the two syndicates. A gross $2m is understood to be in dispute, before allowance for insurance premiums paid.

In the latest action the plaintiffs are seeking a declaration that livestock reinsurance contracts arranged with the insurance groups by the syndicates in 1977, 1978 and 1979 are avoidable and have been validly avoided.

They are seeking an account of all premiums paid to and claims paid under the livestock contracts, and an order for repayment to the plaintiffs of any balance of claims paid over premiums received.

They are also seeking interest on any balance which the court decides they are owed.

Sinclair opens up home computer market in China

BY ALAN CANE

SINCLAIR RESEARCH, the UK computer group headed by Sir Clive Sinclair, has agreed to provide its best-selling ZX81 and Spectrum home computers in kit form for assembly by the Chinese in a purpose-built factory in Canton.

Mr Nigel Searle, managing director of Sinclair, said yesterday: "Under the agreement, we are already shipping small quantities of ZX81 and Spectrum computers for trial assembly.

"If this trial is successful I am confident it will lead to large quantities of Sinclair personal computers being sold in China in the coming years."

Agreements have been signed with the South China Computer Company and the China Electronics Import and Export Corporation. The Chinese have committed an initial £10m to the venture.

Chinese hardware and software technicians are due to visit the UK in the next few weeks to gain experience in Sinclair's manufacturing and assembly techniques.

Mr Richard Hease, managing director of Prism Microproducts, Sinclair's UK distributor, said Sinclair was the first British company to approach the Chinese with a view to opening up their home computer market: "The Sinclair computer and its peripherals form an ideal entry point for the Chinese both in the home and in education."

The Chinese are taking home computing very seriously. A separate section within the Ministry of Electronics is responsible for developing the market for home computing under Mr Wang Yingquan, the deputy director general.

They are anxious to improve their skills in computing, microelectronics and related disciplines and see home computing as an ideal way of mass education.

China Computerworld, for example, a joint venture between the Chinese Ministry of Electronics and the large U.S.-based Computerworld publishing group, has more than 200,000 readers.

Special computer programs, which will make it possible for the Sinclair Spectrum to produce Chinese characters on its display screen, are being developed by the Peking Software Academy. The Chinese are also keen to develop a version of Micronet 800, Prism's revolutionary system which uses viewdata technology (Prestel in the UK) to distribute computer software to computer owners, with a view to covering China's remoter provinces.

Prism Microproducts has a contract to mount a series of exhibitions and seminars in Peking, Shanghai and Guangzhou where British microcomputer companies which make peripherals for the Sinclair computers will be able to demonstrate their wares to the Chinese.

The first exhibition will be in November this year. The BBC is already known to be interested in showing its BBC microcomputer.

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International Recruitment Consultants

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Small firm of

LONDON STOCKBROKERS

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Good prospects. Usual benefits.

Write Box A.8286, Financial Times 10 Cannon Street, London EC4P 4BY

Can you meet the challenge of consultancy?

Leeds/Manchester/Newcastle to £20,000+car

C&L

Handling a wide range of demanding assignments isn't easy.

You could be working for clients–large or small–in the public or private sector on a variety of projects–business viability studies, planning and information systems, finance organisation and staffing.

You would need a broad commercial understanding to focus first-rate accounting expertise and strong inter-personal ability to sell your ideas. Also you need to be highly motivated to win through.

If you are aged around 30, qualified, preferably a graduate and believe that you would thrive on this challenge then, as one of the largest international consultancies, we could offer you opportunities for:-

- involvement with senior management in a wide range of industries
- sharpening your business and financial management skills
- working with professionals in other disciplines
- rapid career progression.

Résumés, including a daytime telephone number to Victor Luck, quoting Ref. L306.

Coopers & Lybrand associates

Coopers & Lybrand Associates
management consultants

Scottish Mutual House,
Park Row, Leeds LS1 5JG.

BARCLAYS MERCHANT BANK CORPORATE FINANCE

Continued growth of the Corporate Advice activity in London and New York has resulted in vacancies for additional executives. Candidates should be aged 25-33, have relevant professional qualifications and have had at least two years post-qualification experience, preferably in merchant banking.

Applicants should write, enclosing a curriculum vitae, to:

The Staff Director
15/16 Gracechurch Street
London EC3V 0BA

BARCLAYS MERCHANT BANK

Key roles in Systems and Financial Management

Our client, a dynamic growth organisation with current turnover in the region of £20 million, located in North West London, has the following two outstanding opportunities for professionals, reporting to the financial controller.

Systems Manager

c.£15,000 p.a. + car

An innovatory role with responsibility for establishing the entire company's business systems needs, controlling and implementing systems development, and proposing future changes in line with operational and technological developments. The main task initially will involve you in specifying development priorities, hardware, software and planning of the complete processing function. You should have senior systems development experience, preferably with an accountancy bias, including a good track record in systems implementation. Programming skills, although desirable are not essential but the ability to communicate concepts and technical data at all levels of management is of prime importance.

Financial Accountant ACA

c.£12,000 p.a.

Responsible for the company's financial functions including the preparation of statutory accounts, management accounts and day to day control of the nominal ledger, bought ledger, payroll, cashier and production accounting functions. The preparation of timely and accurate information is essential in this senior position which will also involve you in the development of systems designed to improve efficiency.

This position will suit an ambitious recently qualified ACA looking either for his or her first move out of the profession or a move after one year's subsequent experience.

For both positions the company offers an attractive range of benefits and exceptional career prospects.

Please write, enclosing your c.v. to Confidential Reply Service, Ref. ASF 8816, Austin Knight Limited. London, W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

Austin Knight Advertising

INVESTMENT ANALYST ENGINEERING

A leading firm of stockbrokers with a well-established position in the Capital Goods sector wish to strengthen their existing team with the appointment of an additional analyst. Experience in the sector would be an advantage but, for an individual with sound analytical skills and the right personality to fit in with the existing team, not a necessity.

Remuneration will be competitive and the appointment offers an opportunity for a progressive career in an ambitious and profitable business. Applications will be forwarded direct to our clients and you should indicate in the covering letter any firms to whom you do not wish to apply. Please apply in writing, quoting reference 2123, giving particulars of career in confidence to: W L Tait, Esq.

Touche Ross & Co, Management Consultants

Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.

A member of the Management Consultants Association.

Company Secretary and Administration Manager

Our client, a public industrial group employing over three hundred and poised to grow rapidly, will appoint a qualified, experienced person aged 30-45 in the salary bracket £13K-£17K plus a car, located near Croydon.

Those who match the requirements are invited to telephone our Chairman in confidence on 01-730 0138 to obtain details of an unusually fine opportunity.

EXECUTIVE PRESELECTORS

A Division of Executive Search Ltd

8A Symons Street, London SW3 2TJ

Experience not essential, flair fundamental.

INVESTMENT ANALYST

If you are the type of individual we are looking for, you'll know that investment is central to the function of a life assurance organisation. You'll also know that the Investment Analyst is a key figure.

You have a good honours degree (not necessarily in economics or accountancy) with about three years' experience in industry or commerce. You are numerate with a strong interest in and some knowledge of finance and investment — though perhaps not involved directly in that field at the moment. You have a definite flair for absorbing and assessing information and forming clear judgements.

If your application is successful you will be trained and developed on the job before being given personal responsibility for certain sectors of the equity market.

We will give you an excellent salary which we will review regularly. We also have a non-contributory pension scheme and a very attractive staff house purchase scheme. But above all we will give you a very worthwhile career.

Apply in writing with details of your background and experience to:

The Staff Manager,
The Scottish Provident Institution,
6 St. Andrew Square,
Edinburgh EH2 2YA.

SCOTTISH PROVIDENT

MANAGER

Loans and Advances

Salary negotiable from £12,500 plus fringe benefits

Long-established private banking services group in W1 requires an energetic and personable young banker who is seeking a stimulating and challenging job with excellent prospects. The ideal candidate must be experienced in all aspects of secured and unsecured corporate lending and be able to negotiate, implement and monitor all types of loan facilities. A legal or accounting background would be an advantage but not essential for a candidate with good practical experience.

Full details, including a comprehensive c.v., to:

The Managing Director, Box A8284
Financial Times, 10 Cannon Street
London EC4P 4BY

Eurobond Sales Executive

A leading European Bank with a worldwide network requires an executive with the necessary placement ability to work as part of a small team in the development of its Eurobond activities (mainly primary market) in London.

Candidates should have a good knowledge of the Eurobond, FRN and FRCD markets based on a minimum of two years' executive experience together with an established network of institutional placement contracts. Spoken French and some knowledge of international portfolio management with particular reference to the US and Japanese markets would be advantageous.

The bank has identified the development of its placing power as a major priority and this post therefore offers excellent career opportunities in an international environment.

Salary will be negotiable up to £15,000 pa, plus performance related bonus and excellent fringe benefits.

Please reply, in confidence, to: **Box A8242, Financial Times, 10 Cannon Street, London EC4P 4BY.**

CORPORATE ACQUISITIONS AND MERGERS

Rapidly expanding private group with international business wishes to recruit an entrepreneurially-minded executive to assist in their development. Candidates should have the following attributes: A clear understanding of corporate acquisitions (quoted and unquoted), the appropriate experience plus financial contacts, the ability to travel extensively and to work with a small but highly-motivated team.

Apply in own handwriting to:

Box A8283, Financial Times
10 Cannon Street, London EC4P 4BY

giving full details of past experience, future expectations and both current and anticipated remuneration.

Hoggett Bowers

Executive Selection Consultants

BIRMINGHAM. CARDIFF. GLASGOW. LEEDS. LONDON. MANCHESTER. NEWCASTLE and SHEFFIELD

Credit Analyst

International Merchant Banking

City, £12—£14,000

This highly respected and expanding institution has acquired market leadership by employing astute and highly innovative professional bankers and applying the most advanced operating techniques. As part of this expansion, they are seeking an analyst who will concentrate on new propositions including syndicated and other international loans, bonds and foreign exchange and will use computers and outside consultancies for routine analysis. The successful candidate is likely to be aged early to mid-twenties and will have had formal credit training in an international, probably US, institution. Interpersonal skills and high potential will be required in order to flourish in an aggressive environment and grasp promotion opportunities. Benefits are amongst the highest in the City.

I.L. Duff, Ref: 18028/FT. Male or female candidates should telephone in confidence for a Personal History Form. **01-734 6852,** *Sutherland House, 5/6 Argyll Street,* **LONDON,** *W1E 6EZ.*

An Outstanding Opportunity in Foreign Exchange-Treasury Marketing

Merrill Lynch International Bank Ltd. offers a broad range of foreign exchange services to both retail and corporate clients in Europe and the Middle East.

We seek to appoint an exceptional professional as Assistant Vice President to complement our marketing team based in London. The successful candidate will have at least three years foreign currency marketing experience in a recognised financial institution and possess a sound working knowledge of international foreign exchange markets. Experience of working with micro-computers would also be advantageous.

In addition to a challenging professional environment, we offer a highly competitive compensation package.

If you are interested in this exceptional opportunity, please contact: Keith Robinson, Recruitment Officer, c/o Merrill Lynch International Bank, Ltd., 27/28 Finsbury Square, London EC2A 1AQ.

Merrill Lynch

Scrimgeour, Kemp-Gee & Co.

Members of The Stock Exchange

are seeking an additional person for their

CORPORATE FINANCE DEPARTMENT

Candidates should be young qualified Solicitors or Chartered Accountants. The successful applicant will be expected to learn the technical aspects of Corporate Finance and become fully conversant with the requirements of The Stock Exchange Quotations Department, the Take-Over Code and the relevant sections of the various Companies Acts, while working closely with the partners responsible. After a period of training, the candidate will be expected to be capable of taking on responsibility for communicating directly with our company clients. Hence, emphasis in choosing the right applicant will be placed on their ability to display clarity in written and verbal presentations.

This is an excellent opportunity with good career prospects and fully competitive remuneration.

Three years ago this same advertisement was responsible for recruiting Ian Buckley — he joined our partnership earlier this year.

Please write in confidence to:

Christopher Bell, Partner in charge of Corporate Finance,
Scrimgeour, Kemp-Gee & Co.,
20 Copthall Avenue, London, EC2R 7JS

Institutional Sales
US BROKER

Our client, a leading U.S. Broker, will shortly appoint a senior sales person.

The position offers a rare opportunity to cover some attractive accounts with some major institutions. Successful candidates are therefore now likely to be working for an American or possibly a Canadian broking house and they will have an established and successful sales track record.

A substantial salary will be paid which will be open to negotiation but it is unlikely to prove a problem to the right candidate.

Please apply to Jock Coutts, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London WC2A 1EG. Tel: 01-242 5775, or 0767 50804 between 7.30 and 9.00 pm weekdays.

Career plan LIMITED

Personnel Consultants

Make a Name for Yourself
As a Recruitment Consultant

Are you a high achiever looking for greater freedom, if so, are you good enough to join the expanding team of one of the U.K.'s most successful personnel consultancies?

Established ten years ago, we provide a range of high quality personnel management services specialising in search and selection, recruiting at all salary levels across all disciplines and sectors of industry.

Our consultants win recruitment business through individual initiative and ability and process each assignment personally to a successful conclusion. We now require a Consultant to expand our 'City' recruitment activity.

You have proven or obvious sales ability, a good understanding of businesses in the City and the flair to relate well to top management.

You are analytical, imaginative, dedicated, resilient, and highly ethical. Ideally you are an experienced consultant, but we will provide full training if convinced you have the potential to succeed.

The remuneration package which is biased towards personal achievement is one of the best in our profession. To apply please write to Michael Cripps, Managing Director, Cripps, Sears and Associates Ltd. (Personnel Management Consultants) 88/89 High Holborn, London WC1V 6LH or ring him for a confidential discussion on 01-404 5701 (day) or 01-589 4852 (evenings and weekends).

Cripps, Sears

Major International Bank
Foreign Exchange Marketing Officers
c£25,000+benefits+car

Our client is a market leader in international banking, noted for its innovative development of corporate treasury and ancillary products.

A number of senior executives are required to market a broad range of products and services, centring on Foreign Exchange but including financial futures, currency options, and precious metals. These appointments will be crucial to the development of a major long-term strategy to diversify and strengthen the treasury function.

Candidates will ideally have 3–5 years' Foreign Exchange marketing experience in banking, or currently be industrial corporate treasurers/institutional fund managers with previous relevant experience.

These are rare opportunities with appeal to particularly ambitious individuals seeking a fast career track in a rapidly expanding field.

Interested candidates should contact **Kevin Byrne, BA,** on **01-242 0965 (or this evening call 01-639 3209),** alternatively write to him at our Banking and Finance Division, PO Box 143, 31 Southampton Row, London, WC1B 5HY. All applications will be dealt with in the strictest confidence.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

London Business School

Principal

Professor R. J. Ball will retire from the post of Principal at the London Graduate School of Business Studies on 31st July, 1984. The Governing Body invites applications from suitably qualified persons to take up the appointment from 1st August, 1984.

The School has a student body of 500 full-time and part-time students and offers Masters and Ph.D. Programmes alongside a wide portfolio of executive programmes ranging in length from one week to ten months. In addition the School conducts extensive research through the efforts of faculty members and through six separately funded research institutes.

London Business School was established in 1965 and is situated in a Nash Terrace in the Outer Circle of Regent's Park, London. The School has first-class facilities, including residential accommodation for over 200 students and course participants. A £4m. extension of seminar rooms, research institutes and audio visual facilities has just been opened.

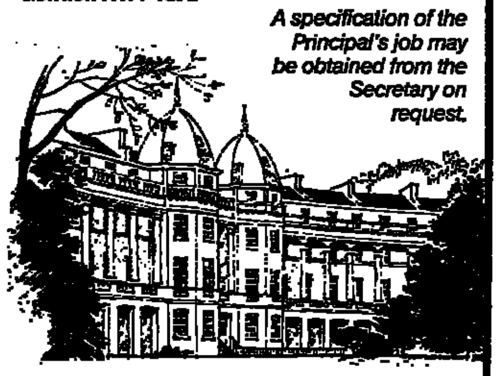
The Principal's function is to lead, and be accountable for, a team of 185 academic, research and administrative staff in the pursuit of excellence in management education.

The successful candidate will have a background of managerial responsibility and significant knowledge of relevant academic disciplines. Applicants should express their views on management education and how they see the development of the School's future strategy.

Remuneration will be at Vice-Chancellor level and a house is provided. Membership of the Universities Superannuation Scheme is required.

Applications, accompanied by a curriculum vitae (including names of referees) should be submitted in STRICT CONFIDENCE NOT LATER THAN 17th OCTOBER, 1983, to the Secretary to the Governing Body, London Business School, Sussex Place, Regent's Park, London NW1 4SA.

A specification of the Principal's job may be obtained from the Secretary on request.



COMMODITY BROKERS Account Executives required by fast growing international investment group. Previous experience preferred but not essential. Comprehensive training given. Attractive remuneration package. Golden opportunity for monetary reward and job satisfaction. Phone: 01-630 5644.

LICENSED SECURITIES DEALERSHIP require person holding a current representatives licence. Excellent opportunity for experienced dealer. Phone 01-405 8853. Ref. RJH.

PROPERTY INVESTMENT ANALYST

We are seeking a graduate with a good economics related degree or post graduate qualification for our City office.

Working with our investment Partners the successful applicant will produce regular reports for clients, the ability to advise clearly both orally and in writing is therefore more important than experience in property.

Salary will be negotiable according to age and experience.

Please write giving details of career and salary to:

The Senior Partner
Walker Son & Packman
3/6 Trump Street
London EC2V 8DD

Commercial Director
Salary Indicator – £20,000+, plus company car and benefits
Location – North of England

Our client is a growth minded manufacturing company in the consumer sector which has been investing substantially in new manufacturing facilities.

The remit for this new appointment will be to direct the finance, commercial and purchasing functions of the business. To enable the development of market led commercial policy, there is a significant need to improve the quality of management information.

Candidates probably in their mid 30's and qualified, will have gained exposure in a fast moving manufacturing business where the finance and commercial functions play a major role in the direction of the company's affairs. Experience of participating in the development of pricing, products and market strategies is equally desirable.

Benefits include contributory pension and relocation assistance where appropriate.

Please write initially, in confidence, with full C.V., quoting Ref BWA 207 to: **H. Warr, Bryant Warr & Associates Limited, 21 Albion Street, Manchester M1 5LN.**

Please list on a separate sheet any companies to whom your application should not be forwarded.

Bryant Warr & Associates Ltd.

Investment Adviser

TSB Scotland is establishing a personal financial advisory department and wishes to recruit a suitably experienced person to develop and manage its clients portfolio section.

The successful candidate will be a member of a small, select team and will have considerable stockbroking, fund management or investment advisory experience.

In addition to technical competence, communicative ability and initiative are essential personal requirements.

An excellent remuneration package is offered together with relocation expenses where appropriate.

Please reply in writing with full CV by 16th September 1983 to
Bruce Ogilvie,
Assistant General Manager Personnel,
TSB Scotland, Raeburn House,
32 York Place, Edinburgh.

TSB BANK

Today's Scottish Bank - and Tomorrow's.

BUSINESS DEVELOPMENT MANAGER

An excellent opportunity in a leading European bank's expanding London Branch for a career bank officer with a sound credit background and proven marketing record. Mainly U.K. calling, increasing to Europe in time. Languages a bonus but not essential. Really Good Prospects are offered.

INTERNATIONAL LEADING OFFICER

A leading European bank in the City are seeking an experienced calling officer to market the bank's facilities in the U.K. and liaise with their Head Office on international marketing strategies. Fluent German is essential.

LONDON REPRESENTATIVE

This is an internal post, based in the Representative Office of an active marketing subsidiary of a large banking group. The main functions are P.R. orientated: calling on and meeting major customers, attending central meetings of the group and administrating the office. A strong banking background is essential, as is a knowledge of the African market. The ability to speak French will be very useful.

INTERNATIONAL SHARE DEALER

This is a recently created position in an expanding International bank and requires a person with previous involvement and sound knowledge of the international stock markets and share arbitrage.

DOCUMENTARY CREDITS MANAGER

This position in a City based consortium bank with strong trade finance bias, needs the experience and ability of a banker with excellent Documentary Credits, Bills, etc., background and management status, to head up the existing team.

OLD BROAD STREET BUREAU LIMITED
STAFF CONSULTANTS
01-588 3991

CAPEL-CURE MYERS
Portfolio Management assistant

We need an additional person to assist the Partner responsible for the Agency and Bank Department. To fulfil this role we wish to recruit someone who is literate and articulate, aged up to above 30 and with a successful track record of servicing clients and a knowledge of settlement procedures. Ideally, he or she will be a well-educated person who wishes to have a satisfying and rewarding career in a successful portfolio management business. We can offer a competitive starting salary and other benefits.

Please apply with curriculum vitae or telephone:

James Neill, Personnel Manager
CAPEL-CURE MYERS
Bath House, Holborn Viaduct, London EC1A 2EU
Tel: 01-236 5080

Research Officer
Analyse New Business Potential

Are you looking for involvement, increased responsibility and the chance to make a positive contribution to the direction of new business development?

A medium sized foreign bank based in the City is keen to develop its U.K. customer base. They are now seeking an additional person for their Research Department to undertake analysis of industry sectors with secondary responsibility for the interpretation of general economic trends in the U.K. and abroad.

Aged in your mid to late 20's, you are a Graduate with two to five years proven experience in economic or industry analysis and report writing, ideally gained in banking or financially related environment. You have highly developed communication skills and possess the maturity and flexibility to perform in a demanding environment.

An outstanding remuneration package will be offered which includes an extremely competitive salary together with the usual banking benefits.

To apply, please write enclosing a full CV or telephone for an application form quoting ref 6219 to Barbara Lord at Cripps, Sears & Associates Limited (Personnel Consultants), 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701 (24 hours).

Cripps, Sears

TOP EXECUTIVE APPOINTMENTS from £16,000 to £60,000

As the leaders in the field of executive job search, we specialise in identifying appointments in the unadvertised vacancy areas.

Selected high calibre executives are offered our unique success-related fee structure.

Contact us today for a free confidential assessment meeting.

Connaught
Executive Management Services Limited
73 Grosvenor Street, London W1. 01-493 8504
(24 hour answering service)

MONEY MARKETS — **Salaries £11,000 to £30,000**

Briefly, the ten assignments we are handling at present for foreign exchange dealers are; three junior posts in spots and deposits, three senior spot traders, two customer dealers, and a couple of all rounders at a senior level. As usual the clients vary from LDT's to major international banks.

Please contact: David Little

EUROBOND TRADER — **Salary Negotiable**

Age is immaterial but relevant experience is essential. Two years Bond trading expertise, preferably Yen denominated, is needed, plus the ability to introduce new ideas and innovations. This client has a very good name within the primary and secondary markets.

Please contact: Richard Meredith

CORPORATE FINANCE — **Salary Negotiable**

This prestigious International Merchant Bank is expanding its corporate finance activities and now seeks an additional executive. This person must be a graduate, have two years relevant experience from a Merchant Bank or Accepting House covering a wide area of corporate finance including mergers, acquisitions and projects. A very good opportunity for a positive and demanding professional.

Please contact: Richard Meredith

Jonathan Wren BANK RECRUITMENT CONSULTANTS
170 Bishopsgate · London EC2M 4LX · 01 623 1266

FOREIGN EXCHANGE/ MONEY MARKET MANAGER

CHIEF DEALER

The United Saudi Commercial Bank is in the course of formation with a capitalised base of SAR 250,000,000. It will rapidly establish itself as a major bank in the Kingdom engaging in the full range of commercial and retail banking activities.

To assist in the development of its treasury activities the Bank is seeking experienced professionals to fill the senior key positions.

The FX/Money Market Manager will have full responsibility for the establishment and growth of the function, including the training of local staff. Previous experience in a similar position and in an international environment is essential. In addition, knowledge of the Middle Eastern banking system will be a definite advantage.

The Chief Dealer must have general foreign exchange and, ideally, Saudi Riyal experience.

Both positions will be based in Riyadh. They will attract a compensation package fully commensurate with the importance of the positions. Terms and conditions of service in the Kingdom are in line with the best competitive practice.

Applications in writing with full c.v. should be sent, under reference 15003, to the Bank's consultants.

Campbell-Johnston Recruitment Advertising Ltd,
35 New Broad Street, London EC2M 1NH.

البنك السعودي التجاري المتحد

UNITED SAUDI COMMERCIAL BANK

AL-BANK AL-SAUDI AL-TEJARI AL-MUTTAHED

CAPITAL MARKETS

The continuing expansion of this City-based international bank, whose shareholders include the Saudi Arabian Monetary Agency and several of the world's leading international banks, has created career opportunities in our Investment Banking Division.

To further develop the capital markets activity of the Division, we wish to recruit bankers in their mid-20's who have a good degree and a marketing background with at least three years experience gained in an investment, commercial or merchant bank.

The successful applicants will have outgrown their present positions and will be seeking the challenge of joining the marketing team of a growing capital markets group. They will be able to respond to our need to give them early responsibility for product development and customer relationships.

As you would expect from a leading bank in its field, we will offer an attractive salary and a benefits package which includes preferential mortgage and loan facilities, private medical insurance and non-contributory pension.

Write to Sally P. Morse, Personnel Division, for an application form or enclose a detailed C.V: Saudi International Bank, 99 Bishopsgate, London EC2M 3TB.

البنك السعودى العالمى المحدود

Saudi International Bank

AL-BANK AL-SAUDI AL-ALAMI LIMITED

Young Graduate
Develop your Experience in Capital Markets

A fast expanding banking services company, a market leader in the syndicated loan, eurobond and investment advisory business is, as a result of this expansion, looking for an Associate Officer for their Corporate Finance Department.

As a member of a small team you will gain a wide variety of experience including the management and documentation of publicly syndicated bond and loan transactions, arrangement of private placements and swap transactions and preparation of proposals for future bond, loan or other capital market transactions.

You will be in your early to mid 20's with one/two years experience in international banking, ideally in eurobonds. Highly developed personal skills and the potential to assume responsibility in a fast moving environment is essential.

Excellent rewards include negotiable salary together with the normal banking benefits. For further information telephone or write, quoting reference 6223, to Barbara Lord at Cripps, Sears & Associates Limited, (Personnel Consultants), 88/89 High Holborn, London WC1V 6LH. Tel: 01-404 5701 (24 hours).

Cripps, Sears

GENERAL APPOINTMENTS

Appear every Thursday

Rate £31.50 per Single Column Centimetre

Actuaries and Actuarial Assistants

Greater London area and Birmingham

As a result of continued growth and career development moves, our client, a leading firm of employee benefit consultants, has outstanding opportunities for young and energetic actuarial professionals looking for a chance to grow in both personal and career terms.

Immediate requirements are for:

* An assistant actuary who has recently passed all the actuarial examinations, to deal with a wide variety of pension consultancy assignments.
* FIA/FFA – or someone who has passed the examinations and will soon complete the experience qualification – for the Birmingham office. The right candidate will quite soon be given the opportunity to work for his/her own clients.
* A pragmatic, recently qualified actuary who can assess the effects of developments on current procedures, review the need for new procedures and identify marketing opportunities.
* An actuarial assistant who has passed at least 6 actuarial examinations, to work in a team providing actuarial advice to a broad range of corporate clients.

All the positions offer the opportunity of exposure to all facets of pension funds. Career prospects, and total remuneration package are very good indeed.

Please write in the first instance with relevant career and personal details to Confidential Reply Service, Ref. ASA 8814, Austin Knight Limited, London, W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Confidential Reply Supervisor.

Austin Knight Advertising

Regional Treasurer
— UK and Eire

Dow is one of the top international chemical companies with an enviable reputation for growth, innovation and profitability.

Our UK activities cover industrial chemicals, plastics, oil and gas, pharmaceuticals and agricultural chemicals, and play a major part in the worldwide success of the organisation.

Based in our office in Hounslow and reporting directly to the Managing Director, the Treasurer liaises closely with the European Treasury Department at our European Area Headquarters in Switzerland with responsibilities which include the funding of day-to-day operations as well as cash, currency and credit management. The role also includes negotiating with bankers to generate finance for new capital investment programmes, project financing and possible acquisitions.

Aged 28/35, you will have spent 5-10 years in a senior financial position, and gained experience in foreign exchange, money and capital markets. You will certainly be numerate and very commercially aware. Fluency in another European language would be an advantage together with a knowledge of insurance, and pension scheme investment.

Salary is negotiable to fully reflect the importance of your role and the valuable range of benefits includes a company car. Future career prospects are first-class both in the UK and Europe.

Please write giving full details of your background and experience to:
Mr Y. N. Derenne, Employee Relations Manager,
Dow Chemical Company Ltd., Meadowbank, Bath Road,
Hounslow TW5 9QY.

DOW*

*Trade mark of The Dow Chemical Company

CHARTERHOUSE APPOINTMENTS

Senior Bullion Dealer

A leading international metal merchanting company, LME and LGFM member, is currently seeking an experienced Dealer to take charge of their London bullion operation. This will involve the running of a 24 hour book. A performance related remunerative package plus competitive fringe benefits accompany this position.

Precious Metals Dealer

The London office of a major U.S. firm of brokers requires a competent Dealer to be responsible for their market-making operation in gold and silver on the London markets. Applicants should have been working for either an active bullion house or a brokerage company. A basic salary of between £20,000–£35,000, commensurate with experience, is offered.

Junior Dealer

An international merchant bank with a highly developed bullion dealing team is seeking an additional Dealer with at least 3 years' experience of dealing on the London precious metals markets. In addition to an attractive basic salary of £15,000–£25,000, depending on age and exposure to the markets, a generous bank package awaits the right person.

As a specialist in recruitment for the precious metals markets, I am always interested in discussing career opportunities with Dealers and Brokers of all levels. Please contact me, Nigel Collins, in the strictest confidence on the telephone number below (or on 01-658 1505 outside office hours).

Charterhouse Appointments Ltd.,
Europe House, World Trade Centre, London E1 9AA.
Telephone 01-481 3188

International Treasury Management, Ltd.

Ideal opportunity for someone with broad Capital Markets experience to develop his/her career as a

Long-Term Swaps Co-ordinator

The Hongkong and Shanghai Banking Corporation and Marine Midland Bank have formed a joint venture to offer a wide range of treasury management services to corporations, financial institutions and government agencies around the world. The new company, International Treasury Management, Ltd. has offices in London, New York, Singapore and Hong Kong and arranges currency and interest rate swaps, provides financial futures advisory services and is a market leader in foreign exchange options.

We are expanding in the area of long-term swaps and seek an additional person whose major responsibility will be to market and develop this product. This position is based in London.

Applicants must have a broad knowledge of the capital markets and have a proven ability in developing new business. Experience should be in the marketing, arranging and placing of new debt issues rather than necessarily in the secondary markets. The successful candidate must be self-motivated and will probably be aged between 25 and 35.

We are looking for potential high-fliers with strong marketing and communication skills. We are therefore prepared to negotiate a remuneration package which will attract the best talent available.

Please apply in confidence to: Teresa Andrews, Personnel Officer,
MARINE MIDLAND BANK, N.A.
34 Moorgate, London EC2R 6JR. Telephone: 01-638 1788

International Treasury Management, Ltd.

A partnership between the Hongkong and Shanghai Banking Corporation and Marine Midland Bank.

Fidelity International Senior Investment Manager

Rapid expansion of Fidelity's unit trusts and pension funds in the UK, to a total now managed of £180 million, prompts us to invest in another experienced Senior Manager with a proven performance record in UK equities.

As part of a truly international group and as an associate of Fidelity Boston, one of the largest fund managers in the world, the successful candidate will join a highly stimulating and challenging environment.

Remuneration, of which a significant part will be based on sound and consistent performance, will be high and will include a base salary of over £20,000 and a total package worth over £30,000. The position carries the prospects of a directorship together with equity participation.

Candidates must show considerable experience and success (including unit trust work) and be prepared to manage both unit trusts and pension accounts.

Applications, (which will be treated in the strictest confidence), should be sent quickly, with full c.v. and details of past performance, to:
Richard Timberlake,
Fidelity International Management Limited,
20 Abchurch Lane, London EC4N 7AL.
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Robinsons OF CHESTERFIELD

GENERAL APPOINTMENTS ARE CONTINUED TODAY ON PAGE 25

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Further details about the position may be obtained by contacting Mr. Bjorn A. Graff, telephone 47-2-20 82 55.

All enquiries will be treated in strict confidence, with respect to current employers as well as our client, if desired.

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UK NEWS

Welsh industry: the hunt for high-tech winners

By Anthony Moreton, Regional Affairs Editor

WHEN Mr John Williams was approached to take over the chairmanship of the Welsh Development Agency last year, he accepted on the assumption that the part-time post would leave him adequate time for his other activities at Newman Industries and Harland and Wolff.

Within four months of his appointment, though, he had lost both his chief executive, Ian Gray, who died suddenly, and the agency's chief administrative officer, who retired. In a matter of days, at the end of March, the job turned into a full-time one.

Mr Williams' arrival at the agency's Treforest headquarters, eight miles north of

A radical change of direction by the WDA

Cardiff — site of one of the original trading estates built in the 1930s as part of the then Government's policy to create work in the depressed areas —coincided with a radical change of direction by the WDA. The broad-brush approach followed since its inception in 1976 has gone and the WDA has become highly selective in its work. It now only wants to assist and attract projects which it considers will push the Welsh economy in a certain direction: the high-technology concerns that will carry Wales through to the 21st century.

To some extent the change of direction was initiated by the political masters at the Welsh Office in Cardiff's Cathays Park. With the advent of a Conservative Government in 1979, and especially with a Thatcherite Secretary of State in Nicholas Edwards, the emphasis turned away from interventionism and towards private-industry participation and arms-length assistance.

This suited Mr Williams. He had spent all his life in the private sector and before illness forced him out in 1979 at the age of 52, he was managing director of BOC, the British division of BOC International, on whose board he also sat.

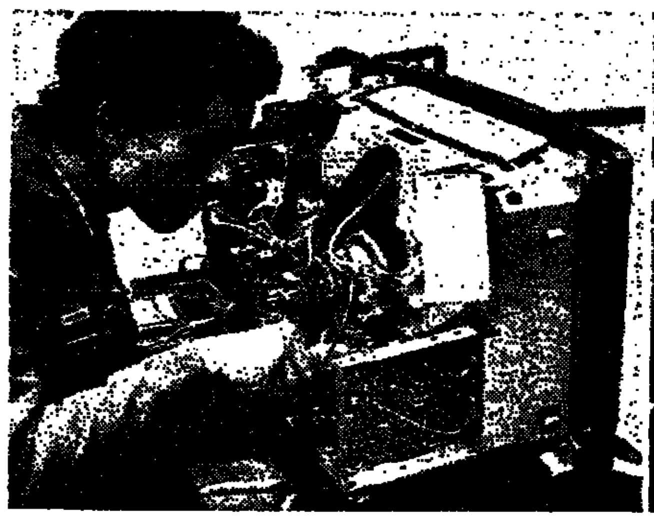
The change in direction arose because of the changed needs of the Welsh economy. In the agency's early days, priority had to be given to improving the country's infrastructure, making it known internationally as a suitable place for investment and absorbing the very large and fast rise in unemployment consequent on the closure of steelworks and coalmines. The coal industry, for instance, now employs some 22,000 men compared with 250,000 before the war.

Much of the agency's resources until recently had gone into a massive factory-building programme. The Government funded much of this, especially after the closure of steel works in Cardiff and Shotton, on Deeside, and heavy redundancies at Port Talbot and Llanwern, Newport.

"Our objective is still to see that no enterprise fails to come to Wales because space is not available," Mr Williams says. "We will produce a greater variety of buildings in future with an emphasis on high-technology users.

"Up to now we have tended to build standard factories. Now we will build more specialist units. We will build for the sort of people we want to attract to Wales."

Mr Williams arrived at Treforest at a crucial time because the WDA was in danger of becoming bogged down by its own conservatism. Two of its original big three — Mr Gray and Mr Barry Powell, the administrative director — had been civil servants, and the third, its first chairman, Sir David Davies, was a retired trade union leader in the steel industry.



Television production at Sony (UK) in Bridgend, Glamorgan.

Mr John Williams, chairman of the Welsh Development Agency.

The agency somehow never created the momentum in Wales that the Scottish Development Agency achieved in Scotland. Professor Glyn Davies, professor of banking at the University of Wales Institute of Science and Technology in Cardiff, has described the interlinking of the SDA and the Scottish office in Edinburgh as responsible for the creation of an economic miracle.

No one could say that of Wales. The WDA, by contrast, was hit by the collapse of P. Leiner, a gelatin manufacturer, into which it had put £2m, its largest single investment and with which it was closely involved. "The bruises still hurt," Mr Williams says. "We now never put more than £1m into a company as a matter of principle."

The process of rethinking policy in Wales has been slow, partly because of the Welsh Office itself. Mr Edwards, the Welsh Secretary, took two years mulling over the sort of strategy he wanted and even longer to be convinced of the need to merge the Development Corporation for Wales—the body which sold the country's attractions to foreigners—into the WDA. It took him seven months to appoint Mr Williams and it will be about eight months between the death of Mr Gray and the appointment of his successor.

At Treforest Mr Williams set in train a small, but important, move in the communications field. He introduced a new logo and design policy, dispensing with the traditional red dragon, in order to give the WDA a more modern look and to enable people to identify more easily with the agency and its work.

"What we want," he explains, are sunrise industries "and we would like to house them in a triangle formed by Cardiff, Abergavenny and Chepstow. They would be near to the M4 and M5 motorways and close to London."

To attract such industries the development corporation has been wound down and reformed as Winvest, a direct subsidiary of the agency. Winvest will operate on the lines of the successful Locate in Scotland organisation and will now be much more closely integrated into the central division of the WDA.

To back it up, the agency has also set up Wintech, described by Mr Edwards as "a channel of information and advice on technological matters for individuals and companies in Wales." Wintech will ensure that comprehensive advice and guidance on technological isues can rapidly be made available to existing industry or potential developers.

"The centre will act in a dynamic, catalytic way to stimulate technological advance, translating new ideas and products or processes into commercial reality," he states.

The idea for Wintech arose out of a visit paid by Mr Edwards to the U.S. in 1980 and is intended to do for Wales what MIT and Stanford have done for America. Deloitte Haskins Sells, the accountancy firm, has been commissioned to provide a feasibility study on the centre, which it is hoped will be in operation this autumn.

At the same time industrial parks have been opened at Shotton and Newport and another is planned for Cardiff, all to link with the work of Wintech.

"The main thing," according to Mr Alan Sutton, the director responsible for investment, "is to go into high technology. We do not just want to get companies in but to get the right sort of companies. For that to happen we need the right sites in the right place. Up to now we have essentially looked for engineering companies. And we have been very successful. Ford and Sony are at Bridgend, National Panasonic in Cardiff, Inmos and Mitel outside Newport.

"By building industrial parks we should be able to marry our assets—a good educational system and adequate supply of skilled workers—to our needs. Winvest and Wintech are examples of the ways in which we are not merely becoming more professional but co-ordinating our activities more closely."

The agency is also changing directions on the investment front. The WDA never put large sums into private companies and after Leiner it became even more cautious. Now it has set up a number of investment subsidiaries in conjunction with the private sector.

First came Hafren Investment Finance, to provide equity funding between £10,000 and £100,000. "Hafren," Mr Sutton says, "produced more inquiries

To be a catalyst you have to take risks

in five months than arrived in the WDA over the rest of its life."

As a result of this success the WDA is on the point of setting up Super Hafren to provide finance in amounts between £100,000 and £500,000. The WDA went to the City this spring and invited 57 companies and institutions to listen to its proposals. Twelve were sufficiently interested to enter into further talks and the agency is confident it can pick four partners which will each put up 20 per cent of the capital (with itself contributing the rest).

"We are taking this route because we do not want to get too deeply involved in investments over £100,000," Mr Sutton says. "We will make any investments over £500,000 directly from WDA resources but we are moving away from large single investments such as Leiner.

"We would go to £1m if it was right but we are far more selective now. We do not really see ourselves as in business setting up companies with more than £1m. Super Hafren will, though, invest in high-risk companies. We are, after all, a catalyst and to be one you have to take risks."

The WDA knows all about risks. Despite returning 9.1 per cent on its investments last year one of its recent forays turned into a nasty flop. A 29.7 per cent equity holding in Welsh Irish Ferries and a total investment (with preference capital) of £115,000 to help a roll-on/roll-off service between Barry and Cork quickly sank.

More recently, last week, Dragon Data, of Kenfig, which makes the Dragon 32 home computer, got into trouble and had to be bailed out by its shareholders—with the WDA holding a 23 per cent stake.

Mr Williams admits the failures but points out, somewhat defensively, that the agency must take risks if it is to pursue its merchant-banking function. The trouble is that there are plenty of politicians who want the WDA to take risks without incurring any losses, so he has continually to be looking over his shoulder.

He also points to a seed-capital loan fund for individuals with ideas rather than products and to the need to broaden the agency's interest in service industries. "We shall pay more attention to this," he says. "It is just another of the ways in which we are getting Wales ready for the next century."

The Financial Times' annual survey on Wales will appear on September 15th.

THE MANAGEMENT PAGE: Marketing

EDITED BY CHRISTOPHER LORENZ

Advertising

The mind behind some TV favourites

Feona McEwan profiles John Webster of Boase Massimi Pollitt

MENTION John Webster to the man in the street and he won't be any the wiser. Mention the performing dog in the John Smith Bitter TV commercials, the cockney Hofmeister lager bear, the Smash potato Martians, the Honey monster, the Cresta fizzy drinks polar bear, the nostalgic Courage Best ads in black and white, and, most recently, the Kia-Ora cavorting crows and almost every man, woman and child will know what you're talking about.

Webster is universally regarded within the industry as the finest craftsman in the TV commercials jungle today. And probably for the past 10 years too. He makes the sort of commercials that make you want to skip the programmes and positively relish the repeats. Collectors' items if you're an ad fan.

With almost certainly more creative awards to his credit than any other individual in Europe and more for his agency than any other agency in Europe, Webster is largely responsible for putting Boase Massimi Pollitt—the agency he helped co-found 15 years ago, and which caught the City's eye last May when it went for a full Stock Exchange listing—on the creative map. In the national league table, BMP, with billings of some £36m, is knocking on the door of the top 10.

"John Webster is quite simply the best television commercial thinker the British advertising industry has yet produced," says Alan Parker, brilliant meteor in his own right as director of Bugsy Malone, and Midnight Express.

"When it comes to TV writers, he's IT as far as I'm concerned," says Tim Delaney, of Leagus Delaney. "The most impressive thing about John, like Tony Brignull in Press advertising or Alan Waldie in art direction, is he has been consistently coming up with good ideas for a long time," says Frank Lowe of Lowe Howard-Spink.

"He's a remarkable professional," says Edward Booth-Clibborn, chairman of the Designers and Art Directors Association of London. "He gets all the crafts working for him, the editing, filming, animation, music . . ."

The latest Webster offering, currently tickling youngsters' fancies on the small screen, shows all these elements in delicious harmony. For Kia-Ora, the orange drink, it is an animation by Oscar Grillo—he of the Heinz Baked Beans cartoon fame—which features a jaunty little black boy clutching the desirable drink—"but only for me and my dawg"—followed by a line of groovy crows pretending to be . . . yes, dawgs. Set to a catchy Caribbean rhythm, it is already making waves. "The reception has been fantastic," says Webster with obvious delight. "More than any campaign I can remember. I've had masses of letters from kids asking if there might be a TV programme based on it, if a record could be released, what the names of the characters are and just saying they love it." Children are very much an inspiration for him.. "They are so marvellously receptive and they don't ask questions."

A diffident, self absorbed man who speaks hesitantly but softly Webster is notable in an immodest profession, as Alan Parker has remarked, for achieving success quietly and without vanity. He prefers the shade to the limelight which, shelves-full of awards and not a few TV programmes later, he now can't easily avoid. A trifle uneasy of probing questions, "Do you mind if I smoke, you make me feel nervous," he grows animated as he warms to his theme.

So what generates the concept in the first place? "There isn't a formula, I wish there was. You tend to start with a detail. Sometimes I look for outside stimuli — play music, go to a painting exhibition, talk to people, anything to loosen the mind."

The spark for the Kia-Ora ad came after a trip to Sweden to visit pop group Abba's producer. He had just made a "wild" record with dogs barking which appealed to Webster, so much he vowed to use it one day. The Kia-Ora brief happened to be on his desk when he returned, so he knitted the two ideas together. Hence the "barking" crows whose line, "I'll be your dawg" is now apparently echoing around the country's classrooms.

He's a consummate craftsman, enthusiastic from creation to execution—"a rare creature," says agency chief Martin Boase. "Many lose interest after they've had the initial idea."

One of Webster's proudest campaigns, the Cresta fizzy drink for kids, became something of a cult and ran to 15 ads. The star of the show was a cool cat of a polar bear who wore shades and spoke American. Each time he took a swig of the juice he went into a spasm that children were only too quick to copy. The inspiration for this came from the movie Easy Rider in which Jack Nicholson, as an alcoholic lawyer, took his first slug of the day and promptly had a mini-fit.

"Its this brand of magic," says Alan Parker writing on Webster when he won the 1982 Design and Art Direction Presidents Award "that he proceeded to find in commercial after commercial with uncanny consistency. I remember the first film I saw of his . . . for the National Provincial Bank. A little four year old girl came on centre stage; plain white background and proceeded to do her monologue. Quite straightforward except that the take they used was when the young actress wanted to go to the loo. Consequently a wonderful moment was captured as she delivered the sales pitch clutching herself, her little legs buckling in anticipation."

This won Webster the Grand Prix at the International Advertising Film Festival, the only person ever to have won it twice.

It is perhaps for his beer commercials that John Webster has endeared himself to the viewing public—though they wouldn't know it. Both for Courage Best Bitter and John Smith Lager and Bitter he's spun a whimsical web heavily laced with nostalgia, around the brand to give it an identifiable image. "After all, beer like petrol, is beer is beer. The trick is to give a brand an identifiable image that people can associate with."

If such a diverse mind has a hallmark, humour must be high on the list. "David Ogilvy once said no one buys from a clown," he says. "But I think with some products like beer, a light-hearted touch works well." It could be hard to argue with this since the John Smith campaign, called Big John, walked off with one of the IPA's (Institute of Practitioners in Advertising) Effectiveness Awards last year. Research suggested that the campaign caused sales to rise considerably, and within a year the investment in advertising resulted in revenue over 15 times greater than the investment.

Now in his late forties, he reckons he was a late developer, compared to the precocious 24-year-olds now entering the business. His route to BMP led from art college to Ogilvy's ("very fortunate") where he proceeded to do all his work with Colin Millword in mind—the then chief of the creative agency Coliett Dickenson Pearce, who was to prove a major force on the whole advertising industry. "Everything I did was 'would Colin like it,' never mind what my agency thought," he says of the man Alan Parker and David Puttnam reckon taught them all they know visually. He moved twice thereafter and finally left Pritchard Wood and partners to found BMP in 1969, from where he hasn't been persuaded to move.

For all his own high standards, Webster believes advertising today is well below standards set by the Americans in the late 1960s—"the days of Volkswagen and Alkaseltzer ads. That peak has never been achieved anywhere else. I think anyone of that period—Charles Saatchi, John Salmon—would agree. Now the U.S. looks to us. Europe is far less sophisticated. The main reason for British being best is we have the best TV in the world and can be more sophisticated in our ads."

New Webster work to look out for, in about two weeks time, is for Mazola corn oil currently being shot with Ridley Scott, director of Alien, shooting his first commercial since 1969. The theme—if it's pure food, it must be pure oil—has a religious overtone and features an athletic muscleman "already setting the housewives talking" holding a corn-cob which changes to a bottle of corn oil to a background of choral music.

The opening sequence is taken from the famous black and white film of the 1936 Olympics which Hitler attended, shot by Leni Riefenstal, which opens with a magnificent series of nude athletes, putting the shot, throwing the javelin, etc., to the music of Wagner.

Bundespost spreads its spending

BY JOHN DAVIES

THE BUNDESPOST, West Germany's vast postal and telephone organisation with half a million employees, is being pitchforked into a new marketing era.

With a touch of showbiz, it has just proclaimed the launching of Viewdata—which as with Prestel in Britain will enable people to call up information on their TV screens—and is pushing ahead with other projects intermeshing communications and office equipment.

A lot of the impetus and promotional flair is coming from Christian Schwarz-Schilling, the newly-installed post office minister, who is keen to use the Bundespost's commanding position to enliven and help modernise the German economy.

To promote its wide-ranging services, new and old, the Bundespost this year is spending more than DM 50m (£12.5m) on advertising and plans to spend even more next year.

Nearly all Bundespost advertising has been handled for the past 10 years by Lintas, West Germany's biggest advertising agency, with the small philately account being handled by the Georg Dynewski agency.

But Schwarz-Schilling is changing all that. Demonstrating his ability to stir things up and attract controversy, he is now giving other agencies the opportunity to bid for parts of the lucrative Bundespost advertising business. Agencies competing for various parts of the account range from big outfits such as McCann-Erickson—which, like Lintas, is part of the U.S. Interpublic group—to moderately small concerns such as Heinson and Krenz, with a staff of just 15.

The minister sent a mild earthquake through the Lintas headquarters in Hamburg earlier this year when he fired off a note formally indicating his intention to cancel its contract at the end of this year.

For a time it looked as though Lintas would lose its entire Bundespost advertising account, although it seems now that the agency will retain just over half of an expanded account.

The initial reaction of Dr Ingo Zuberbier, Lintas's chief executive, was to protest vociferously that his company stood to lose about 11 per cent of its total DM 450m (£112.5m) of business at a stroke. The jobs of some of its 460 employees were in danger, he warned.

The Bundespost attempted to calm the situation by indicating that Lintas would be able to compete, no doubt successfully, for parts of the account.

With the dust now just about settled, the solution appears to be that Lintas will retain major sections of the account, including advertising for the postal service, telephone handsets and some telecommunication services. One gem in this spectrum is the job of advertising the latest Bundespost service—Viewdata, known in Germany as Bildschirmtext.

The Bundespost recently invited 160 other advertising agencies to compete for four remaining areas of advertising: philately, post office banking, parcel deliveries and some telecommunication services, including telex and video conferences.

The post office says that it is happy with Lintas's performance, but reckons that its advertising budget is getting too big for one agency to handle. There never was any intention of excluding Lintas from further Bundespost advertising, though, according to Jürgen Titius, deputy advertising chief of the Bundespost.

After all, he points out, Lintas came up with the highly successful advertising slogans: "Ruf doch mal an" and "Schreib mal wieder." Rough English translations might be: "Give me a ring some time" and "Drop me a line."

The slogans are credited with helping to boost the postal and telephone services, which last year handled nearly 13bn letters and 24bn telephone calls, up 5.6 per cent and 14 per cent respectively on 1980 levels.

For years the Bundespost has meant, in many people's minds, an army of men and women pushing yellow trolleys around Germany to deliver mail and another army of telephone technicians.

But Schwarz-Schilling is somehow managing to give it a more razzmatazz image as it gets increasingly involved with futuristic electronic and space age devices.

With new projects under way, the Bundespost is planning to step up its advertising spending next year—probably to around DM 65m (£16m)—even though the government in general is wielding the pruning knife.

THE ARTS

The Postman Always Knocks Twice/Edinburgh

A tragedy diluted

It was time for a first European visit from Opera Theater of St Louis. In less than a decade of existence the company has developed a reputation as the liveliest new enterprise in the U.S., a reputation supported by regular St Louis reports, on this page, from Andrew Porter, and by my own chronicle of the 1980 events. The Edinburgh programme—the European premier of *The Postman Always Knocks Twice* (an Opera Theater commission first given last year) and a Delius rarity—provides convincing testimony to the company's concerned for unstaled repertory brought to life by a fresh young body of performers.

On Tuesday at the start of the short season at the King's Theatre, the experience fell short of both reputation and one's own memories of the best St Louis work in its home theatre. For some of this, the theatre itself must surely bear the blame: the roughness of stage management and lighting were of an all too familiar kind on this notoriously inadequate and inhospitable opera stage. Yet with excuse duly and fairly made, the work—the adaptation into two-act opera, by Stephen Paulus as composer and Colin Graham as librettist of the famous James M. Cain *conte noir* — must still be quite sternly judged ,for it delivered little of the consistent interest, yet alone the dramatic charge, that had been its advance promise.

The creators were drawn to the novel, according to a programme note, by the roots of classical tragedy in the driving passion of its plot and by the "hints for music" which Cain constantly discloses to the reader's inner ear. The potential for opera has been realised with professionalism but little originality; Paulus's music, even for one with sympathy for the American *verismo* genre and hearty appetite for its vernacular, seems in the end to dilute both the tragedy and the "musicability" of the story.

The libretto reads better than in the event, it sang — though Paulus's setting of dialogue is fluent enough, the repetition of catch phrases begins to outlive its usefulness rather too early on. Like much else about the work, this is a musical rather than a dramaturgical problem; the musical language lacks strength to revive well-worn forms, to sustain and vary dramatic tastes. It draws on popular sources very promisingly at the outset, with its blues undercurrent and its bar-room *ostinati* as the young drifter Frank Chambers tells of the "rambling feet" that brought him to Twin Oaks Tavern.

But these divulge ever less colour and atmosphere as the work proceeds; the second act, apart from the welcome relief of a mock-vaudeville number for two squabbling lawyers, feels like one endless semi-desert of arioso now for solo voice, now for duet, lyrical in intention, but both predictable and unmemorable in execution. *Inner tension has been dissipated* well before the end—the last thing one expects or wants *in a work of this kind.*

Despite loose ends and crooked seams there is much to admire in C. William Harwood's conducting and in Mr Graham's production, tautly set against the decor of John Conklin which with a few spare well-placed details the dramatic picture is conjured up. As far as the music allows, the cast seize all opportunities for characterisation. Trenchant supporting performances by Carroll Freeman and Daniel Sullivan, among others, provide a backdrop for the very strong central trio of wife (soprano), lover (baritone), and husband (tenor) in Karen Hunt, David Parsons and Michael Myers—Mr Parsons in particular is an operatic actor of notable distinction, attractively natural in his movement, well-defined and handsome in his vocal timbres.

MAX LOPPERT

David Parsons: attractively natural

The Beautiful Part of Myself/Watford Palace

Michael Coveney

Sitting through Tom Kempinski's new play is no easy task. It is a tortured, often unpleasant exercise in a classical sort of Jewish angst. Isaac Cohen, a bravura role brilliantly taken by Warren Mitchell, has returned from England to a little Austrian town where the entire Jewish population, including his family, was given a one-way ticket to Auschwitz during the war. We first see him poring over a collection of Nazi emblems and trinkets he is hoarding in cardboard boxes. Since his return, he has clawed his way back into a community he loathes and has taken the place on a clothing trade board once occupied by his father.

The year is 1980. Isaac's tactics of revenge are bizarre, to say the least. He writes peculiar letters to the local paper. He hurls a stuffed cat around the cluttered living-room at moments of frenzy, cuddling it comically to his chest at others. He has fallen for a young girl in the town, Anna, whose father was a Nazi and on whom he exercises a seemingly innocent but refined form of sexual vengeance.

Anna's boy-friend is also an hereditary enemy. And the full force of the still festering hostility is summarised in the figure of the board's chairman, played with sinister ferocity and cutting venom by Geoffrey Chater.

I was continually reminded by the play of George Steiner's honest confession of envy at being a Jew who lost out by not enduring the holocaust. There is a part of Isaac, by no means the most beautiful, which is crying out for victimisation. When Anna, in a great histrionic confessional outburst, delivered with stunning tear-stained regret by Phoebe Nicholls, reveals she has kept her father informed of the affair, Isaac's reaction is to pick up the cat and bring down the curtain with a resigned shrug of "six million — and one."

In Act 2 things really get going when the chairman devastates what he gleefully terms "a dirty-minded seducer of Aryan girls" with the account of how Isaac's father collaborated with the Nazis in order to save his own skin. The deal was that the carriage he had boarded after the rest would be uncoupled. Of course, it wasn't. This prompts another unsavoury speech from Isaac about the Jew-sacrificing Zionist he knew his father to be. Nazism, for him, was an essential stepping-stone to the State of Israel.

By now, you are left pondering what appear to be anti-Zionist motives behind the play. Whatever an audience in Watford may take from it, it is quite clearly a matter of real anguish to Mr Kempinski, who refuses to let us off the hook in a manner as intense as he employed in his hit play of three years ago, *Duet for One.*

While Roger Smith's direction is suitably powerful, I actually kicked against what the play was saying more or less all the way through. This reaction is not intended to impugn the playwright's integrity. But, in all honesty, the effect generated is of a maudlin sentimentality which invites us to harbour grudges against the children of sinful fathers in order to expiate righteous instincts. This territory is dangerous and explosive. A minefield, in fact.

Mr Mitchell pads around on it like a caged beast of the jungle, ready to pounce on any red meat thrown his way, but equally alert to any opportunity of continuing a deviously executed vendetta. It is a brave and always watchable display by one of our very finest actors.

Warren Mitchell and Phoebe Nicholls

Run for Your Wife/Shaftesbury

Antony Thorncroft

Ray Cooney's excellent farce has got "The Theatre of Comedy" at the Shaftesbury off to a racing start. It has generated sufficient pace to justify a replacement cast and Eric Sykes and Terry Scott have taken over the batons from Richard Briers and Bernard Cribbins. Anna Dawson has joined on the frilly underwear front.

Unusually for a farce the script is probably the best thing in it, Cooney piling lunacy on to lunacy around the simplest of propositions, taxi driver John Smith trying to maintain two marital flats, one in Streatham, one in Wimbledon. By replacing character actors with comedians there is some loss of impact — the best farce comes from the most unlikely people being forced to behave outrageously and with Sykes and Scott you are conditioned from the start for "laughs."

Their mature ages also slows the pace and concentrates the humour around Sykes's looks of blank despair rather than animated frenzy. Still Anna Dawson is an undoubted asset and by the second act I was laughing in line with the rest of an audience which probably did not contain many gays — they are parodied to pieces in the script.

Double Bill/Theatre Royal, Bristol

B. A. Young

Here are two gems attractively set.

The beauty of Rattigan's *The Browning Version* is its dual climax, Crocker-Harris's breakdown when the boy Taplow gives him his present, trumped by his wife Millie's mean suggestion that Taplow's gesture was only meant to secure his remove to a higher form. (If you think that the last day of term is a bit late to start changing the removes, Rattigan has confirmed that it could hove worked when he was at Harrow.)

The expertly-deployed emotions are carried on what must be reckoned, on close examination, as pretty flat dialogue, a precious load on an everyday carrier. Lines like "We're through, Millie, you and I" belong in magazines rather than conversation. But the old schoolmaster Crocker-Harris talks naturally in these flat periods, so his part always rises above the rest, even apart from its skilled characterisation. Paul Eddington, drawn and bespectacled, does it admirably; the rest of a good company give him able support.

The beauty of *Black Mischief* doesn't lie so much in the reversal of light and dark (which Peter Shaffer borrowed from elsewhere) as in the ingenuity with which he has called in so many threads to weave a suitable, never-flagging story. Young engaged couple, ambitious modern sculptor, old-fashioned retired colonel, religious spinster, gay antique-dealer, comic foreigner, romantic triangle, open trapdoor, they're all here.

James Warwick, formerly an assistant master, is now the sculptor, and Kate Lock (with an incomprehensible super-Kensington accent) has graduated to become his fiancée. Bronwen Williams as the spinster has the obligatory drunk scene; Norman Henry, former headmaster, is now the colonel; Isla Blair, after an hour's suffering as Crocker-Harris's wife, blossoms as Clea, the rival girl. Ian Lindsay plays the immigrant electrician delightfully. As for Paul Eddington as a hopeful homosexual, who could have thought he would do it so prettily?

Both plays are directed by John David and designed by John Elvery.

Broadway hit for London

Dancin', the Tony Award-winning hit Broadway musical directed and choreographed by Bob Fosse, will open in November at the Theatre Royal Drury Lane for a limited season.

Record review

Conducting unbecoming

Verdi: *Nabucco.* Ghena Dimitrova/Lucia Valentini Terrani/Lucia Popp/Placido Domingo/Piero Cappuccilli/Yevgeny Nesterenko/Chorus and Orchestra of the Deutsche Oper, Berlin Guiseppe Sinopoli. Deutsche Grammophon 2741 021 (three records, two cassettes).

Verdi: *I masnadieri.* Joan Sutherland/Franco Bonisolli/Arthur Davies/ Matteo Manuguerra/Samuel Ramey/Chorus and Orchestra of Welsh National Opera/Richard Bonynge. Decca D272D3 (three records, two cassettes).

Rossini: *Il barbiere di Siviglia.* Agnes Baltsa/Sally Burgess/Francisco Araiza/Thomas Allen/Domenicho Trimarchi/Robert Lloyd/Ambrosian Opera Chorus, Academy of St Martin-in-the-Feilds/Neville Marriner. Philips 6769 100 (three records, three cassettes).

The first two of these sets tend to confirm my theory that there is nothing more difficult to conduct than early Verdi—I suspect that *Parsifal*, by comparison, is a walk-over. A minutely misjudged tempo, a clumsily achieved *rubato* effect, less than artfully controlled orchestral texture and what can and should sound grand and powerfully felt becomes merely brash and insensitive. Such is all too often the case here.

Sinopoli's assignment is by far the tougher: were it not for That Tune, I doubt if *Nabucco* would be played more often today than *Oberto.* Just as his conducting of *Manon Lescaut* at Covent Garden divided opinion earlier this year, so will this recording. While some admired his ceaseless pointing of orchestral detail and his wayward approach to tempo, others wished that he would just leave the music alone and let it speak for itself.

My inclination to the latter view is confirmed by his *Nabucco:* virtually every marking is exaggerated, sforzandos pound relentlessly, speeds sound unrelated within musical paragraphs. A score that needs all the help it can get is made to seem cheap and empty. Those who found Riccardo Muti's *Nabucco* for HMV over-driven will have to re-think: in comparison to Sinopoli, Muti is a veritable Goodall.

Dimitrova's Abigaille is phenomenally well sung. Her voice is huge and beautifully schooled —chromatic scales and arpeggios are perfectly placed, and her dynamic control is complete up to a pianissimo top C. Throughout, her singing of the violent music is breathtaking, and it is only in such gentle moments as "Anch'io dischiuso" that one misses the sort of memorably turned phrase that Renata Scotto supplied for Muti with less tractable vocal equipment. Still, a formidable performance.

Cappuccilli is a sound Nebuchadnezzar, but dull if you remember Gobbi (he needs an Abbado to galvanise him into life on record) and while Nesterenko's granite bass is magnificent, he does deliver at a steady *forte* (Verdi has other ideas). Domingo, Valentini Terrani and Popp (a handful of lines as Anna) are luxury casting. The chorus and orchestra are first-rate. But all concerned, one feels, would have made a better showing under a conductor bent on revealing the score rather than chopping it up into tiny pieces and frying it fiercely.

By way of contrast *Masnadieri*, surely Verdi's bleakest, most nihilist opera, is under-conducted by Bonynge, though again speed and noise have to substitute for genuine dramatic power, and firmer direction might have elicited tidier playing from the WNO orchestra (their chorus is excellent) and more disciplined interpretations from the soloists. Bonisolli (Carlo), a case in point, is a Jekyll-and-Hyde tenor of massive potential: there is some finely poised singing here in duet, and he catches the character's Schillerian disgust with the world in a generalised sort of way, but he will spoil a phrase with bulging tone, and throw in piercing top D flats at the drop of a cabaletta. Magnificent, but. . .

I wish Dame Joan had recorded Amalia a year or two back. The decorated lines that Verdi composed for Jenny Lind are tailor-made for her, and although her trill (which Dimitrova lacks) and her technique serve the florid writing as convincingly and delightfully as ever, there are moments in more sustained passages where the pitch is no longer quite true and the tone not quite steady enough. But—swings and roundabouts—five years ago she would not have brought such welcome verbal incisiveness to her singing.

Ramey's Massimiliano is sung with ideal musical sensitivity, so much so that he doesn't quite find the full horror of his narrative account of being buried alive, but this is a fault very much in the right direction. I found Manuguerra's unimaginatively bawled Francesco quite intolerable.

The new *Barber* is something of a disappointment. One must laugh at Rossini's writing, even on record, and Marriner's correct, po-faced direction raises barely a twitch, save of surprise at a recklessly fast "Dunque io son" and an incomprehensibly slow "A un dottor." The playing is similarly joyless, similarly correct, save for some suspicious woodwind tuning—this and the odd untidiness in *Masnadieri* leads one to wonder if one result of the record industry recession is that no one can afford re-takes any more.

Again, there is an impression of singers being inhibited by the conductor. Baltsa's Rosina, very capably sung, has little charm, little sense of fun; Allen (Figaro), Trimarchi (Bartolo) and Lloyd (a deliciously cavernous Basilio) have to work a bit too hard; Araiza overplays Don Alonso but has his moment *of glory in an extremely impressive* account of "Cessa di più." All are at their best in the recitative, accompanied by Nicholas Kraemer on a forte-piano—which is both authentic and somehow utterly right (not necessarily the same thing). But that is not enough to make this a recommendable *Barber.*

RODNEY MILNES

Toussaint/Coliseum

Andrew Clements

Six years after its première, David Blake's *Toussaint* has returned to the English National Opera repertory for five performances. It returns in a revised version; several scenes have been discarded, others shortened and some minor characters dropped; the running time is reduced by 35 minutes.

It is, writes the composer in a programme note, "altogether a better opera" as the result of the amendments, and there is no doubt that Tony Ward's libretto has gained in clarity from its new concision. The improvement has been achieved at some cost to the evening's richness; a work chronicling the rise and fall of the first black revolutionary, Toussaint Louverture and the establishment of Haiti as the first black republic is inevitably an exotic subject, and some vivid subsidiary incident has had to be sacrificed. There are fewer vignettes and diversions, fewer parentheses. *Toussaint* remains a complex and challenging scenario, political in the best sense, unafraid of ambiguity, strong on historical irony.

It also has bones of a fine, absorbing opera. Musically Blake's language is varied and flexible enough to variegate such an expensive canvas. Local colours, voodoo drums and rhythms, never seem contrived; the astringent mixture of Schoenbergian chromaticism and a more sensuous lyricism is skilfully leavened. There remains one serious flaw in the construction—the concept and use of a Brechtian chorus figure in the character of Mars Plaisir, valet to Toussaint, who steps outside the opera to deliver a wry commentary on proceedings.

Plaisir's speeches have been a major casualty of the cuts, and the part is now taken by an actor (Stefan Kalipha) who sings hardly at all, instead of a tenor who mixed chat and song in equal measure. It remains an awkward concept; the libretto is so articulate that the assorted messages do not really need pointing up, and at several points Plaisir's intrusions are a positive hindrance.

The pace of the evening remains uneven. The short third act is predominantly slow, an unwinding process that ends in Toussaint's incarceration by Napoleon, and the manic Dessalines proclaimed as the first emperor of free Haiti. From the great battles at the end of Act 2 it is downhill all the way; realism replaces idealism, revolution is revealed to be a double-edged weapon. Blake's score cannot quite hold our attention through this loss of innocence; Toussaint's destruction is not the emotional watershed it ought to be.

Blake set out to write a "company opera" for ENO and the revival demonstrates again that he has done just that. David Pountney's production and Maria Bjornson's sets are vivid and effective (though some scene changes were less than smooth on Tuesday); the ENO chorus relishes a huge range of costumes and minor roles. Among the principals only Neil Howlett in the title part remains from 1977. Some of his lines were lost upstage, but he generally holds a complex and elusive character well.

Anne-Marie Owens as Suzanne Toussain's wife, has the opera's most lyrical and warmly scored arias; she matches them with considerable beauty of tone. Pauline Hannan makes the most of her Faurésque interlude as Napoleon's sister Pauline; Richard Angas is a noble, heroic Moise. There are vivid cameos from Gordon Sandison, Dennise Wicks and Geoffrey Pogson, while John Gibbs' Dessalines is an uncomfortable presentiment of the rulers of Haiti in the present century. Lionel Friend conducts a well-grooved and vivid performance.

Neil Howlett

Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednesday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

September 2-9

Exhibitions

PARIS

Murillo in the Museums of France. In one of its excellent didactic exhibitions the Louvre has assembled, to mark the 300th anniversary of the artist's death, his paintings and drawings – among them the Young Beggar – from French public collections. Plans, photographs and engravings help us to situate the Sevillan artist in the context of his times. Closed Tue, ends October 24th. Louvre, Pavillon de Flore (2603926).

Magritte and the Advertisers. An exhibition which could also be called "a la manière de..." because – apart from some of Magritte's own creations – so many of the posters show how advertising designers adopted the Belgian surrealist's symbolic yet simple pictorial language. Musée de l'Affiche et de la Publicité, 18 rue du Paradis. 12 am to 6 pm, closed Tue, ends Sept 11.

Exotic Flora and Fauna in art from the 17th century to the first half of the 20th century. Louvre des Antiquaires. 2 Place Palais Royal (2972700), 11 am till 7 pm. Ends Sept 25.

WEST GERMANY

Hildesheim, Römer- und Pelizaeus-Museum, am Steine: The only German venue of Art Treasures from Ancient Nigeria with 100 exhibits bearing witness to the oldest African cultures from 500 BC to 1900 AD. Ends Oct 23.

Frankfurt, Kunstverein, 44 Markt: The first big exhibition of Markus Rätz with roughly 100 installations and drawings by the Swiss painter and object artist. Ends Sept 25.

Munich, Haus der Kunst: The Theo Wormland Legacy is a collection of works by Max Ernst, Magritte, Poliakoff, Antes, Botero, Goller, Rohlfs, Nolde, Jawlensky and other classical modern painters, many of whom were banned by the Nazis. Wormland, an entrepreneur, left most of the pictures he had collected to the Munich Museum, and Hanover's Kunstmuseum received the rest. Ends Sept 11.

Munich, Haus der Kunst, 1 Prinzregentenstrasse: the "Great Arts Exhibition – Munich 1983" has paintings, sculptures and graphics from the last two years by 500 artists living in West Germany. Ends Sept 18.

Nuremberg, Germanisches Nationalmuseum, 1 Kornmarkt: A documentation with 600 pictures and sculptures at the occasion of Martin Luther, the great reformer's 500th birthday. Ends Sept 25.

ITALY

Venice, Cantieri Navala all a Giudecca. Works by Burri. Ends Sept 30.

NEW YORK

Metropolitan Museum of Art: 75 works from the 20th century collection of Baron Thyssen-Bornemisza will include ten of his latest acquisitions. Featured in the show will be works by Kandinsky, Picasso, Gris, Dali, Bacon, Freud und Rothko. The recent acquisitions are works by Georgia O'Keeffe, Balthus, Mondrian, Picasso and Natalia Gontcharova. Ends Nov 27.

Pierpont Morgan Library: Drawings of fourteenth to eighteenth-century Italian masters include a large number of sketches for paintings by Canaletto, Piranesi, Titian and Tintoretto. The drawings show off the draughtsmanship of the painters and the development of their compositions from these preliminary but evocative works. Ends Nov 13.

Cantor Sculpture Centre: Set against a spectacular view of New York atop the World Trade Tower, 35 Rodin sculptures are displayed in the enlargements and reductions carried out by Rodin collaborator and reproducer, Henri Lebosse. One World Trade Center, 105th storey.

Henry Moore (Metropolitan Museum of Art): The first major retrospective in America for nearly 40 years includes drawing, carving in wood and stone as well as sculptures large and small in one of the highpoints of the Britain Salutes New York celebration. Ends Sept. 25th.

WASHINGTON

National Gallery: With the recent death of American art patron, John Hay Whitney, his outstanding collection of French impressionists and their successors is on view before dispersal to various museums. Ends October 2.

CHICAGO

Art Institute: 237 works from the Vatican Collection show the range of religious and secular art that Popes collected as important patrons to both artists and archaeologists. Compared to what can be seen in Rome, the travelling exhibit may seem meagre but at the same time, major works like the Apollo Belvedere and Caravaggio's The Deposition can be better highlighted in thus carefully chosen and well-groomed selection. Ends Oct 16.

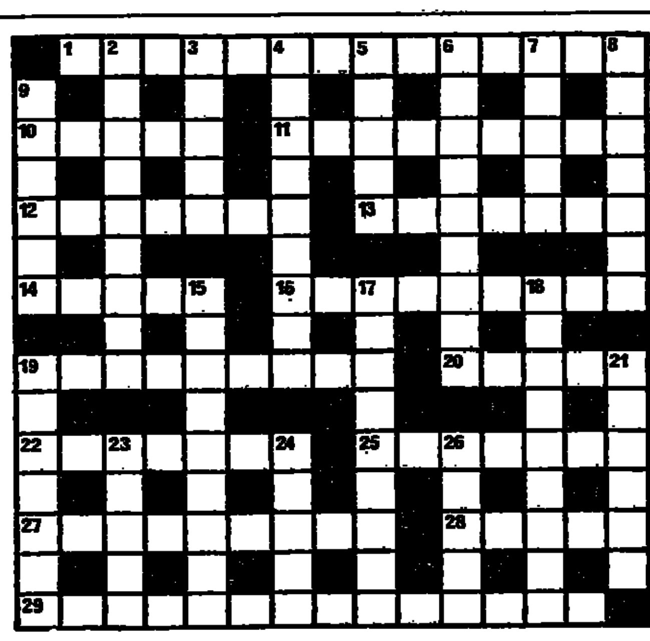
Museum of Contemporary Art: More than 100 works of the provocative, if not outrageous, sculptress Louise Bourgeois comprise the first major restrospective of her work, going back to the 1940s. The sexual and Women's Lib themes of recent times gained the artist a notoriety, here put in perspective. Ends Oct 30.

HOLLAND

Stedelijk Museum, Amsterdam: Modern art from the impressionists of today until the end of the month. There is a similar exhibition at the Boymans Museum, Rotterdam, until September 18.

Gemeente Museum, The Hague: The Hague School including masterpieces by the Maris brothers, Israel and Breitner. Ends Oct. 30.

F.T. CROSSWORD PUZZLE No. 5,211



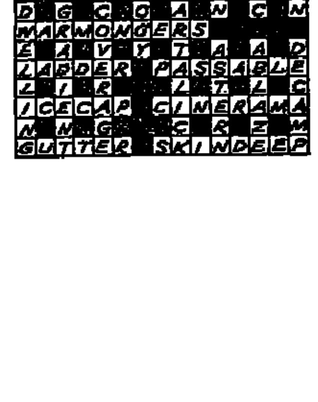
ACROSS

1 Fruit that causes dispute? (5, 2, 7)
10 Schubert's quintet a joy for anglers (5)
11 Order Crete taxi and set free (9)
12 Another edition about one's little girl (7)
13 With equal mind, what — let us bear (Dryden) (7)
14 Is the trick to steal? (5)
16 Hod wanted perhaps for the ambidextrous (3-6)
19 Commercial receiver (9)
20 The Spanish, if returning North, meet a child (5)
22 Apathy displayed by Bill—and detectives that is (7)
25 Fairy fitting amulet (7)
27 In the south west, March is possibly time for sailors' leisure activity (9)
28 Chief coach (5)
29 Dry canoe on Dart adapted for toddler (3, 3, 5, 3)

DOWN

2 In favour of seeing stipulation (9)
3 Position taken from pilot usually (5)
4 Fed up? (9)
5 How to go and share the cost (5)
6 Voyage to Jupiter say, unending by glider (9)
7 No wise man in this Indian tribe (5)
8 Reprimanded when down (7)
9 Formal leading performer going to Church (6)
15 Fielder accepts point made by mediator (9)
17 Paramour loses head having authority to conquer (9)
18 Releasing of gas I'd left on a disaster (9)
19 Many a young woman with journalist in form? (7)
21 Teachers lift up stone and discover seasoning (6)
23 It's a sign there's something missing (5)
24 Initially, every tribe had its clear moral principle (5)
26 Depend upon receiving quiet answer (5)

Solution to Puzzle No. 5,210



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Thursday September 8 1983

A bad week for Moscow

ON THE Richter scale of East-West tension the consequences of the shooting down of the South Korean airliner last week may not bear comparison with the invasion of Afghanistan or the imposition of martial law in Poland. But in the public mind in the West the impact of such an outrage, involving the loss of 269 lives, has if anything been more immediate; and the challenge for Western policy is no less difficult.

While there has been much to criticise in President Reagan's handling of East-West relations in the past, his response on this occasion—in marked contrast to that of the Soviet leadership — has been direct, coherent and measured. Despite considerable pressure from the right, he has eschewed the use of wide-ranging economic sanctions and restricted counter-measures mainly to civil aviation and relatively minor bilateral agreements, while making appropriate demands for explanations, apologies and reparations. And while Washington is anxious to secure a co-ordinated international response, the indications are that it is approaching the task with more circumspection than hitherto.

Lessons

The steps announced in the President's speech on Monday clearly indicate that some of the lessons of the past have been learned. The response was at the right level, on the basis of what is known about the incident so far, and the major Western objective of maintaining a dialogue, especially in the field of arms control, has been preserved intact. If the President's sensitivity over arms control owes something to the pressures of next year's Presidential election, it is no less welcome for that.

The same might be said in passing of the Canadian decision to impose a ban on Aeroflot. It carries a term of 60 days, which ensures that a message is conveyed without leaving a problem of how to lift the sanctions if the Russians fail to fulfil a set of conditions laid down by the West.

The hard part, however, is yet to come. In view of the gravity of the incident it would be unfortunate if others in the West did not follow the United States and Canada. The logical step would be a co-ordinated suspension of Aeroflot landings for a limited period.

The problem lies in differences of interest and perceptions about sanctions: some Western countries have more flights to the Soviet Union and contractual aviation agreements cannot be breached without cost. The decision of the International Federation of Air Line Pilots' Associations to impose a 60-day ban on all direct flights between the West and the Soviet Union could well affect the outcome.

The pilots' expression of revulsion is, in a sense, a more eloquent condemnation of Soviet misbehaviour than any action that can be taken by individual states. Its symbolic value, as an indication of Western outrage, is clear, even if traffic is diverted through Eastern Europe; and if pilots in the leading Western countries follow the lead, it may help jog the arms of otherwise recalcitrant governments into taking action on bilateral civil aviation agreements.

That is not to say that the members of the European Community, along with others in the West, are procrastinating. Sanctions are most effective when co-ordinated and co-ordination takes time; but there remains something anomalous in the present position of the British Government, among others, which has yet to take action, although the pilots in Britain's state airline have already told the management that they will ban all flights to the Soviet Union for 60 days.

The spreading of the pilots' action across Europe is encouraging. While it would be unwise to assume that a totally unified Western response will ultimately emerge — the Greek Government in particular remains obdurately ready to give the Soviet Union the benefit of the doubt — the steps taken so far inspire some confidence. Would that the same could be said of Mr Gromyko's tired remarks yesterday in Madrid. It has not been a happy week for Moscow.

Accountants lose their nerve

THE ad hoc alliance between the preparers of accounts—the companies—and the small-time accountants who last year voted in droves against current cost accounting is all set to score a notable victory.

SSAP 16, the current cost accounting standard, is coming to the end of its three-year experimental life. Early drafts of its successor have now been drawn up, in preparation for planned publication next January. All the signs are that SSAP 16 is being shrunk and simplified out of all recognition.

The big auditing firms who dominate the accountancy establishment (but not the voting registers of the major accountancy institutes) are losing this battle over current cost accounting, just as they lost an earlier one when the Government, via the Sandilands Committee, blocked proposals for a simple system of indexation of accounts in the mid-1970s.

The almost complete absence of a user lobby has made SSAP 16 just about indefensible. If investors, stock market analysts, the banks and the Inland Revenue do not show much faith in inflation accounting, it cannot survive in the face of resentment on the part of the preparers. And, of course, the decline in inflation to the region of 5 per cent has encouraged many people to lose interest in the whole tiresome subject.

Balance

Does it matter? While inflation remains low, the need for accounts to reflect its impact is certainly reduced. But even at 5 or 6 per cent, inflation is significant enough to have important effects on the accounts of some types of company. And it is far too soon to take it for granted that another burst of rapid inflation cannot take place in the reasonably near future.

Another reason for concern is that the problems of inflation accounting have contributed to the slowdown of the whole programme of accounting standards. What started out as an attempt, after a series of company reporting scandals in the 1960s, to impose comparability, consistency and conceptual rigour, is increasingly impeded by special pleading and demands for flexibility.

Plainly, it must be self-defeating to try to impose absolute rigidity of treatment upon the accounts of large, complex companies which are bound to require subjective judgments. But it is vital to strike the right balance, or users will lose faith in the comparability of published accounts.

The forthcoming new inflation accounting exposure draft could be a highly significant indicator of how far the Accounting Standards Committee is retreating before commercial pressures. At this stage it appears that the separate inflation - adjusted profit and loss account and balance sheet will disappear, to be replaced only by a simple adjustment to the historical cost profit figure—but at least this adjustment will be carried within the main profit and loss account.

Variety

What is less clear at this stage is how far the Standards Committee will respond to the numerous calls for flexibility—for companies to be allowed to calculate the adjustment in the way that they feel suits them best.

Users of accounts could find that quite comparable companies will choose widely different ways of responding to the basic requirement to reflect the impact of inflation on their results.

Some could use a variety of specific price indices, while others opt for a single general index. Some heavily indebted companies may well make SSAP 16-style adjustments to reflect the impact of inflation on monetary items, an option which will help their earnings, while their more liquid counterparts will adjust only for non-monetary items.

Mr Ian Hay Davison, chairman of the standards committee, may be right in saying, as he did at the weekend, that people are bored by the subject of inflation accounting. He may also be justified in arguing that the new standard must go back to "the most basic and universal precepts." After years of failure to instal highly complex systems, it is necessary to find some common ground.

But to leave fundamental decisions about accounting for inflation entirely at the whim of individual finance directors would be to show a loss of nerve. In this area, as on a wider standard-setting front, the Accounting Standards Committee needs to recover its self-confidence.

FACTORY AUTOMATION

Robots: why tomorrow has been delayed

By Peter Bruce

TOMORROW appears to have run into a little trouble. The people who make industrial robots, once credited with the task of leading the world's industries across completely uncharted technological frontiers, have made one of the most elementary mistakes in the book—there are too many of them, producing too many robots, for too few customers.

Only half joking, Dr Joe Engelberger, the acknowledged "father" of industrial robotics and founder of the world's biggest manufacturer, which Westinghouse bought earlier this year, blames himself. "I did a great job selling robotics," he says, "but I've sold the idea to competitors and not customers."

Five years ago there were around a dozen robot manufacturers in the West. Today there are more than 220, with at least as many others selling licenced robots, attached to small systems, or acting as conventional agents. They are all chasing a market worth around $500m last year.

The original pioneers like Unimation, Prab and Cincinnati Milacron in the U.S., Asea and Trallfa in Europe and Kawasaki and Yaskawa in Japan, have been joined by a host of producers, many so small that they have never built more than one prototype, by motor groups like VW, Renault and Fiat who have automated their plants with robots designed in-house and now, most threatening of all, by the world's great electronics houses — GE, IBM, Siemens, Hitachi, NEC and Matsushita — all with an eye on a factory automation boom they are convinced must come.

Not surprisingly, the oversupply problem has become most acute in Japan. With some 13,000 robots installed (a controversial figure as the Japanese Industrial Robot Association uses a much wider definition of the term industrial robot than anyone else) Japan easily outdistances the U.S., its nearest rival, with about 6,000 robots.

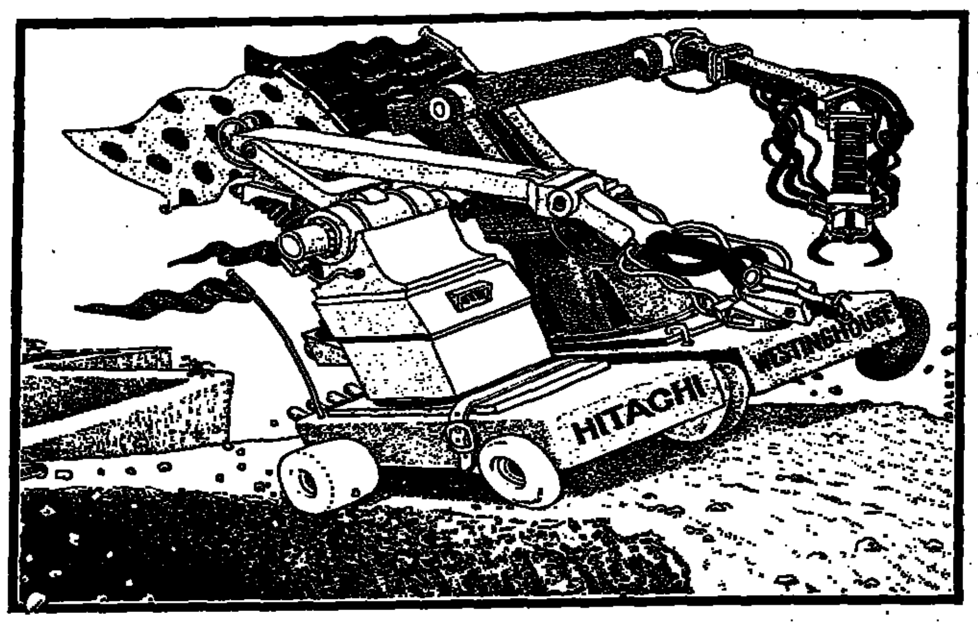
Kawasaki Heavy Industries, one of Japan's earliest and most powerful robot producers, has recently been forced to postpone indefinitely plans to build a new Y17bn (£46m) robot plant because the market has failed to come up to expectations.

At Hitachi, another powerful producer, the story is much the same. "The domestic market is stagnant," says Mr Hiroshi Sento, chief of Hitachi's robot division. "We are now facing an era of survival. All the manufacturers will not be able to stay in the industry."

Dr Engelberger's experience of the U.S. and European markets convinces him that the industry is approaching a watershed of sorts. "This business as a whole is at a plateau," he says. "No matter what you hear, there's going to be a shakeout. There has to be a shakeout."

Of the established producers, Sweden's Asea is probably the only one still reporting rising sales. Last year's total of 750 installations has already been passed, and, says Mr Lars Westerberg, Asea's robot division marketing director, "we are looking for a 50 per cent increase in unit sales this year."

The rush to build robots, especially in the U.S., Japan and Europe, has been phenomenal. Encouraged by the enthusiasm of early pioneers like Joe Engelberger, the number of U.S. producers has grown from around eight to 40 in five years. The value of Japanese production has trebled, to around Y120bn last year, since 1979.



A year ago the manufacturers did not appear too concerned about the number of robots coming on to the market. The potential for installations was, and still is, massive. The most heavily subscribed market of all, spot welding in the motor industry, is still only 60 per cent in the hands of robots.

But what is now clear is that the industry is facing an unexpected wave of consumer resistance. Potential robot users have grown cautious, and, during the recession in the West, loathe to part with money on automated systems that they are not convinced will pay off.

Manufacturing industry has made a number of important

An unexpected wave of consumer resistance

discoveries in the years since glossy brochures advertising space age factories first began to slip through letterboxes. First, robots can perform only the most simple of tasks. While spot welding is now a relatively mature robotics art, arc welding is in its infacy. Using robots to perform anything but the most straightforward assembly tasks remains science fiction, mainly because they can't see or feel. A random selection of components would flummox even the most sophisticated device now on the market.

Second, only a few of the robot builders in the industry are specialists like Unimation. Most major new entrants to the industry are producing and experimenting with robots as a sideline and, like the motor industry, using them in-house.

Largely because many big potential customers of the late 1970s have chosen to build their own robts, starting from scratch—rather than putting business in the way of established specialists—they have ended up building virtual duplicates of what was already available. Indeed there have been surprisingly few major technical advances in commercially available robots in the past three years.

Third, manufacturers have been disabused of the notion that robots can be left alone to work. In fact, they have proved as fickle as any machine: installation and debugging costs can sometimes equal the purchase price.

Given the oversupply and consumer caution, it does seem likely that only the most profound shakeout will restore some measure of confidence to those, like Dr Engelberger, who have been in the business a long time. Quite how the competition will sort itself out is almost impossible to predict.

A technological breakthrough could of course have a profound effect on the industry. The introduction of the SCARA robot in Japan, a small, simplified assembly device, proves the point. At least six manufacturers began building versions of the SCARA within a year of its introduction. Today all self-respecting robot manufacturers are trying to develop a vision system to enable their machines to "see." Some already exist, but they could more than double the cost of a conventional robot.

It does seem likely, however, that many smaller producers will go. They generally have neither the volumes, nor the development capital, to stay the course and compete in any serious way.

In Britain, for example, analysts expect much of the present British robotics industry, which in any case relies heavily on foreign technology, to fall by the wayside. Of 17 manufacturers in the UK, only Unimation's operation at Telford will be taken seriously on the Continent.

There are small producers who, having identified specialist niches in the market, might survive. Lamberton Robotics, in Scotland, build big machines for heavy duty handling roles in the engineering and metals industries.

In Germany, Jungheinrich, the lift truck manufacturer, has entered the robot market with an arc welder and probably has the financial muscle to stay. Zahnradfabrik Friedrichshafen, the big transmission company, has installed more than 100 of its robots in Europe and Nimak has pulled off something of a coup by selling a licence to a Dutch subsidiary of United Technologies.

The position in the motor industry meanwhile is unpredictable. It used to be argued that companies like VW had gone into robotics simply as a means of productively employing surplus skills among engineering staff. VW has built and installed in its own plants nearly 1,000 robots, more than any producer in Europe except Asea. Now its robots are for sale and General Electric has bought a licence to manufacture them. Renault, through its engineering subsidiary, Acma-Cribier, has so far taken most of the 400 robots produced by Acama-Cribier but is now also looking for other customers.

There is some comfort for the specialist producers in the fact that robots coming on to the market from motor groups have generally been too expensive and, usually aimed at the well worn spot welding and paint spraying sectors.

But the entry into robotics last year by General Motors, with a Fanuc licence, is tormenting the established producers. GMFanuc has already picked up the major slice of probably the biggest single order of 1983 — $20m in an order shared with Cincinnatti Milacron for Opel, GM's German subsidiary. The motor industry has been, and still is, the lifeblood of the established robot manufacturers.

TOP TEN COMPETITORS IN EUROPE

ESTIMATED MARKET SHARES OF TOP TEN INDUSTRIAL ROBOT SUPPLIERS TO WESTERN EUROPE

	Robots Installed Units %	Value %
Unimation (Westinghouse) (U.S.)	24	25
Asea (Swe)	17	15
Trallfa (Nor)	9	9
Volkswagen (FRG)	9	10
KUKA (FRG)	8	10
Cincinnati Milacron (U.S.)	5	6
Acma-Cribier (Fr)	5	6
Comau (Fiat) (I)	4	5
Kaufeldt (Swe)	3	1
Nimak (FRG)	2	2

Source: Frost & Sullivan

The GM entry into robotics has forced a re-evaluation of the conventional wisdom in the industry, namely that one or two of the big producers will also go with the shakeout and that enthusiasm for robotics would first wane in the boardrooms of the motor companies. But automation in the motor industry has gone little further than spot-welding and spray painting. Robot assembly must

Robots have proved as fickle as any machine

be what keeps the motor giants interested.

Complicated assembly operations will push robotics far beyond the present levels of computer control. That is the main reason why the electronics giants are the natural inheritors of the robotics art and they have been quick to seize the opportunity. The prize, for GE, IBM, Westinghouse, Siemens, Hitachi and Matsushita must be a stake in factory automation, which will probably be worth $2bn in Europe alone by 1990, and $30bn in the U.S.

GE alone has taken out locences from three robot manufacturers — VW, Hitachi and Digital Electronic Automation of Italy — giving it a quick start in automated welding, handling and assembly.

The entry of the world's big electronics companies into the industry helps to set the robotics market in perspective. It is relatively small and will probably stay that way. GE, for example, believes that on average, investment in robotics hardware seems likely to average out at only around 12 per cent of any automated factory.

Were it not for commitments to its licensors, it would probably not worry GE if it did no sell a robot outside the group for the next 10 years. "We've got 377 factories of our own to automate," says Jim Meehan, general manager of GE's Robotics and Vision Systems Department. "We're playing in our own backyard."

While GE, and, to some extent, Westinghouse, have made it clear they want to be able to offer complete "factory of the future" packages, there is some scepticism about how successful this approach would be. Asea, for example, intends to stick to building robots, confident that customers are going to want to make their own selections of equipment instead of being compelled to take a robot, as part of a package, that may be inferior to its competitors.

A final element in the robot equation is the position of the Japanese who, mindful of the resentment caused by their rapid penetration of the West's machine tool market, have approached the robot market with much more caution.

Where Japan's machine tool builders cut their teeth on a buoyant home market in the 1970s and then moved directly into foreign markets, the robot producers have entered into a score of licence deals in the West in the past two years.

There are now more than 60 ventures in operation between Japanese and U.S. or European companies, only a handful of which involve the sale of Western equipment in Japan. The Japanese have been a godsend to U.S. and European companies anxious to get into the robotics market without having to start from scratch.

Hitachi, for example, has licensed GE and Automatix in the U.S., and GEC and Lansing Bagnall in the UK. Fanuc has licensed GM in the U.S., the 600 Group in Britain and Siemens in Germany. Yaskawa, Japan's market leader in arc welding, has deals with four companies in the U.S. and four in Europe. Sankyo Seiki has licensed IBM and Dainichi Kiko has a joint venture with Cincinnatti Milacron, agreements with two other U.S. groups and at least 10 in Europe.

The agreements vary from joint ventures and "technical links" to simple sales arrangements, but for the Japanese, the important thing is that their robots are being sold abroad. Last year one in every four robots installed in the UK was of Japanese origin, chiefly through the auspices of the small licencees that make up the bulk of the UK robot industry.

Western producers are increasingly scornful of the licences granted by the Japanese. In many cases, it is argued, licences are viewed by the Japanese producers as a means of penetrating any particular market; they are often used as a dumping ground for stock machines; and the Japanese are unlikely to licence their newer, more sophisticated machines. Hitachi has already confirmed sneaking suspicions among U.S. producers by advertising direct sales over the heads of its two U.S. licencees.

Two of the best reports on the robotics industry, Industrial Robots Market in the U.S. (two volumes) and Industrial Robots in Western Europe, are available from Frost and Sullivan on London 486 8377 or New York 233 1080.

Men & Matters

Separate ways

It is remarkable how, following their separate ways, two people can arrive at the same destination at the same time. Take for example, David Wickins, who as chairman of British Car Auctions recently led the rescue of Group Lotus, and Michael Ashcroft, chairman of Hawley Group.

They live in the same part of the Home Counties but the two have no business interests in common. Yet only yesterday, as David Wickins revealed that he had acquired a 25.05 per cent stake in Group Lotus following the reconstruction, Michael Ashcroft revealed that his subsidiary Coleman Milne had bought a 14 per cent stake in the company.

A coincidence, then, that just two weeks ago Wickins and Ashcroft separately revealed on the same day that they had each bought a 9.9 per cent stake in I. D. and S. Rivlin, a small household textiles and kitchen and bathroom furniture supplier recently floated on the Unlisted Securities Market. Prior to flotation, the company had been virtually moribund for four years.

Even stronger coincidence that Ashcroft last Thursday revealed plans to boost his 20 per cent stake in Cope Allman, the plastics, packaging and leisure group, to 29.99 per cent by means of a tender offer which closes tomorrow.

Wickins has retained a 13.6 per cent stake in Cope Allman since he unsuccessfully led a £23.7m bid for the company in March through the specially created Dowable Consortium. Ashcroft was part of the consortium.

Cope Allman, through their financial advisers Morgan Grenfell, appealed to the Takeover Panel, hoping it would rule that Ashcroft and Wickins were acting in concert. The Panel decided they were not. In explanation, the Panel said the Dowable consortium had been dissolved, and Wickins had bought no new Cope Allman shares since dissolution.

The Panel yesterday rejected a fresh appeal from Cope Allman, noting that the former concert party — which clearly existed when both men were members of the consortium — "was not to be regarded as still in existence".

Off stage

There is a chance that the City of London may shortly be offering the only British degree course in acting through the City's Polytechnic.

Some will snap back that the City has always been manned by consummate actors. That may be. But we are talking now about the professional variety rather than the many gifted amateurs.

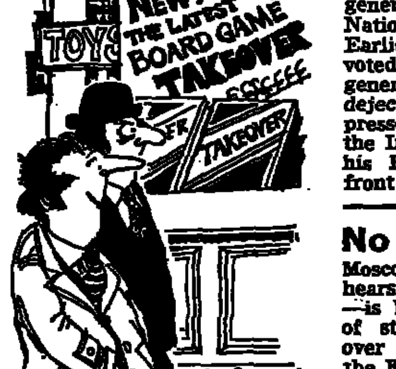
The Rose Bruford college of theatre, based in Bexley, Kent, which has long carried a banner for British acting as the only further education institution providing degree courses for budding thespians, is being squeezed by dwindling grants and rising costs. It is looking for new money—and perhaps a new home.

A merger may be agreed between the college and the City of London Polytechnic. That would be welcomed by many of the staff say senior lecturers Anthony Hozier and Sally Grace.

The college has little to lose by such a move for the pleasant country house it works in is owned by Bexley and is shared with adult education courses. The college's total assets amount to just a few props and the acknowledged expertise of its staff in stagecraft.

But the inevitable snag lurks. The college staff is divided. Theatre-oriented elements are keen to join forces with the Square Mile and to seek financial support from the business world. But some of the people who teach a separate course on "community theatre" see themselves as offering a social service which, they believe, should be funded by the state.

Observing the passions aroused over the future of Rose Brutford I would simply say the politics of theatre are proving stronger than the theatre of politics.



"That's Waddingtons — game to the end."

Animal crackers

Frank Chapple, TUC president, was suddenly replaced by a donkey yesterday on the TV monitoring service which pipes debates round the Blackpool Winter Gardens.

Delegates in the bars and tearooms were understandably taken aback by this unusual variation to the TUC agenda. But I am assured that the BBC meant no harm. The donkey was appearing, as was it right, in a children's programme. Somehow the wires had got crossed.

Balance was reasserted when, as the economic debate continued on sound, the donkey was replaced with a cartoon featuring Top Cat.

It has been a difficult Congress so far for Jim Slater, general secretary of the National Union of Seamen. Earlier in the week he was voted off the TUC's governing general council. Somewhat dejected he was further depressed when he returned to the Imperial Hotel only to find his Rover jacked up and its front wheels stolen.

No circus

Moscow's state circus—now rehearsing in Halifax, Nova Scotia—is having to bear the brunt of strong Canadian revulsion over the Soviet destruction of the Korean airliner.

Four of the nine Canadian cities which the circus was due to visit have now cancelled the performances and others seem likely to follow suite. "I'm in a state of shock," says Gerry Grundman, vice-president of a Montreal ice hockey and entertainments centre, who arranged the tour.

Promoter Harold Ballard, of Toronto, was the first to retaliate against the circus, cancelling a week's performances in the city despite a C$500,000 loss.

Halifax, Vancouver and Calgary promptly decided to cancel their bookings. John Buchanan, premier of Nova Scotia, said he and Halifax mayor Ron Wallace "feel honour bound to support the sanctions against the Soviet Union."

The circus may also be banned from Winnipeg, Montreal and Quebec, though bookings for the performances in Quebec have been running at the rate of 1,000 a day since the box office opened a week ago.

Clever lassie

Ohio newspaper headline: "Visitor From London Triumphs: Barking Girl Wins Singing Contest."

Observer

ECONOMIC VIEWPOINT

A world lender of last resort

By Samuel Brittan

There is a large element of the game of "chicken" in the dialogue between major debtors such as Brazil and the international banks (with their governments behind them).

Each side believes that the other will not dare call its bluff. The banks believe that the debtors will want to retain some borrowing capacity and will therefore in the end agree to IMF terms. The debtor countries on the other hand are fully aware that the Western authorities are terrified of the effects of a repudiation or moratorium on the stability of their own banking systems. Borrowers are well aware of the maxim: "If you owe the bank a thousand dollars and can't pay you are in dead trouble; but if you owe the bank a billion dollars it is the bank that is in trouble."

In between the two sides comes the unfortunate IMF. The latter does not want to devalue its "good housekeeping seal" by loosening its terms. Even if it were to recognise that its original conditions for Brazil

Contingency plans to guard against a banking collapse

were too harsh it would not want to be seen to be giving in to pressure. In the end it is maybe most convenient for borrowers to accept quite strict IMF terms, but for all concerned to close one eye if they are not entirely observed in practice. This appears to be known, fairly or not, as "the Italian Approach."

The greatest danger of unilateral action by debtors may come at a somewhat later stage than the present in the debt rescheduling process. The point is made in a most interesting analysis by George Soros, a leading New York fund manager (who has incidentally ploughed back some of his own profits into research on the British economy) in a paper published by Morgan Stanley.

As Mr Soros remarks, "Sovereign nations cannot go bankrupt; but as history has amply demonstrated, they may fail to pay." He believes that the issue will come to a head when the liquidity crises of the debtor countries begin to abate. So long as the flow of new credit is equal to, or greater than, the debt service charges, debtors are unlikely to renounce their obligation. But once adjustment programmes have succeeded, imports have been reduced, and exports raised, the outflow on debt servicing may exceed new credits. In that case there would be a "negative resource transfer" away from some developing countries. The balance of incentives could then change towards unilateral repudiation or moratorium.

Mr Soros's own view is that democratic countries may be more inclined to renounce debt than autocratic ones—and there is in fact a trend towards democracy in Bolivia, Peru and Brazil, to name a few instances.

There is another problem from the bankers' side. As time goes on, the number of banks in the present informal international club is likely to shrink. As the sense of urgency diminishes, marginal members are likely to withdraw. Many European banks, as well as U.S. regional banks, will have built up *sufficient reserves against* dubious overseas loans to allow them to withdraw from any further connection with the business.

Thus the resources of the international bankers club are likely to become increasingly stretched. Already Hungary, which is on target with its IMF programme and in much better shape than many problem countries, is facing difficulties in raising new loans

Thus the banking club is likely to face shrinking resources just when the debtors may find it worthwhile to insist on lower interest charges or extended repayments, whether lenders like it or not. Mr Soros's conclusion is that for each individual crisis the odds favour a successful solution; but *when the sum total of all cases* is taken together, eventual breakdown is more likely than not.

He is wise enough not to invent a brand-new personal scheme for debt reorganisation. He succinctly summarises the key properties of any workable schemes as: consolidation of debt, the extension of maturity, and the reduction of the interest rate coupon. He is, however, wise enough to admit that such schemes have lost credibility because the predic*tions of gloom and doom* made by their authors have not so far materialised.

The immediate need is for contingency plans to ensure *that if one or more major* debtors wholly or partly repudiates, or fails to agree to, rescheduling terms, there will not be a collapse of any part of the western banking system.

Much has been written on the need for international "lender of last resort" facilities. Their object is to prevent a "run on the banks" arising from international factors, as central bankers are already committed to preventing in their internal banking systems.

In Europe, and especially Britain, central bankers dislike *discussing* the lender of last resort issue for "moral hazard" reasons. They fear that banks will become careless if they *know that*, no *matter what* they do, the central banks will come to the rescue. In the U.S. Fed there is more willingness to discuss the matter. The slogan *there is* "We should *protect* depositors, not bail out bankers."

One of the very detailed proposals on how inter*national lender of* last *resort* facilities might operate has come from Prof Michael Lipton and Dr Griffith Jones in a paper for the Commonwealth Secretariat. *Instead of relying on* uncertainty to induce caution among bankers, the authors suggest that the world's key central banks should adopt a modern version of Bagehot's original concept. This was of emergency lending on "onerous terms," at a penalty rate and on good collateral.

The Lipton proposal is that central banks should be prepared to buy sovereign debt at a substantial discount from a commercial bank in trouble. The operation would transform large but doubtful claims into somewhat smaller, but good collateral in the shape of the central bank obligations. The commercial bank would suffer penalties: but in most cases it would survive together with its deposits, and its ability to lend. (In cases where it is too weak to do so, it would be taken over by other banks as has occured before).

It would then be up to the central banks to negotiate with the debtor countries. They *would be able to offer a longer* maturity and somewhat lower interest rates as a result of having bought the debt at a discount. Debtor countries might therefore be more willing to meet their obligations in this new form. (If not—let's face it — Western taxpayers would in the end have to *foot* some of the bill; which is all the more reason for ensuring that the ultimate owners of the commercial banks pay a substantial penalty in the event of default.)

Obviously, there are difficulties about the Lipton scheme, acknowledged by the authors. It would be important to avoid making the central banks' purchase price for sovereign debt so low as to give debtor countries an incentive to repudiate their obligations to the original lenders. On the other hand, if the purchase price is too high, and the discount too low, commercial banks may be *tempted to apply for lender of* last resort facilities which they do not really need.

These problems (and others, such as the swap credits *between central banks needed* in the event of a run on foreign currency denominated deposits) are not insuperable. Discussion of lender of last resort facilities *only brings them into the open*. But they do consitute in my own view an argument for outlining the scheme in principle without prior commitment on the exact terms on which sovereign debt would be bought from commercial banks or other detailed conditions.

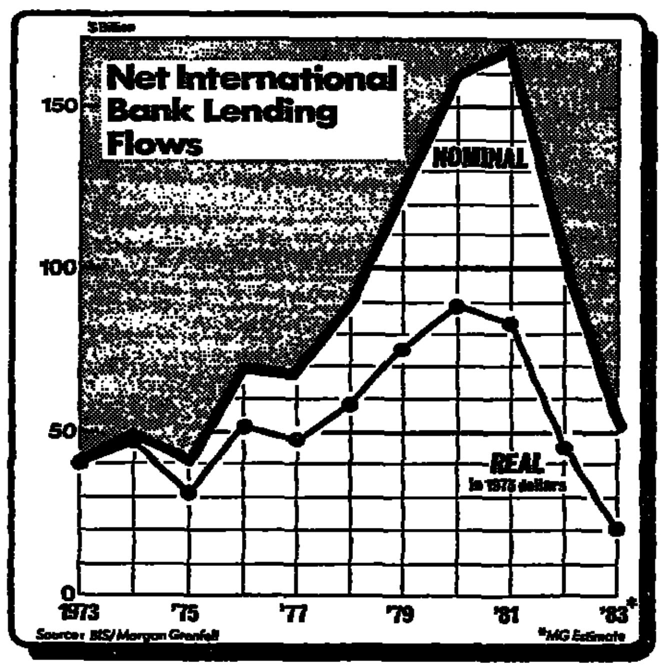
Clearly, the Lipton lender of last resort scheme could be developed into a more general debt reorganisation. But it does not have to be; and no immediate decisions would have to be made. Indeed, I would guess that international lender of last resort operations would take roughly the Lipton form in practice; and there have already been high level talks about what should happen if any of the current debt negotiations did in fact fail.

Most of the present developing country debts have arisen through normal processes of development rather than through irresponsible borrowing. They represent a much smaller proportion of the GDP or exports of developing countries *today* than *they did* of countries such as the USA at a comparable stage of development a century ago. The

Debts less than those of America a century ago

present crunch *is probably* a temporary matter brought on by the process of disinflation and other adjustment problems in the *advanced* countries. Lending *to the developing countries* will eventually recover even if through other channels than the clearing banks.

So I do not share the fashion*able doom-mongering*. Nevertheless it is extremely undesirable that the western authorities should be compelled to finance any regime, however unfriendly or unpleasant, in any part of the world, for fear of triggering off an international financial crisis. Decisions on Polish or Argentinian debt should be taken on broad foreign policy grounds not from financial panic. The sooner it is known that lender of last resort facilities are in position, the less vunerable we will all be to blackmail by General X or People's Dictator Y.



Sovereign nations cannot go bankrupt; but as history has demonstrated, may fail to pay.

Lombard

Justice for the early leaver

By Barry Riley

WITH the approach of next Wednesday's official conference on the so-called "early leaver" problem, different factions within the pensions industry have been preparing to do battle.

Mr Norman Fowler, Secretary of State for the Social Services, has called the conference in the wake of increasing criticism of the injustices suffered by the majority of employees who never work the 40 years with a single employer that are required to qualify for a full pension under typical occupational pension schemes.

Job changers find either that their transferred rights correspond to many fewer years' benefits in their new employer's scheme, or that if they leave the money frozen in the old scheme until they qualify for a deferred pension at retirement age, the real value is seriously eroded by inflation.

The professional advisers to pension funds are caught in the middle of the debate. They often recognise that the present system of pensions related to final salary has serious drawbacks in its treatment of job changers (who are, after all, in the majority). But they are not in a position to tell their clients — the companies — to spend more money on improving their pension schemes.

For instance, a discussion paper from MPA, the employee benefit and compensation consultants, assures clients that they are perfectly justified in resisting calls from the likes of the Government and the CBI to improve early leavers' terms.

Consulting actuaries Bacon and Woodrow point out that the median fund has earned an investment return of 17.6 per cent per annum on average over the past seven years, well ahead of the corresponding 13 per cent increase in employees' earnings.

They suggest that one way out would be for companies to consider annual increases in deferred pensions on a discretionary basis. Companies could pay what they knew they could afford—but they should not enter into commitments for *future increases. Once they did* that, the actuaries would be forced to calculate the cost of the commitment, and the solvency of the scheme might well be threatened unless there were steep rises in contributions.

This is all very well, but should actuaries be recommending clients to decide benefits on an annual, hand-to-mouth basis? Should not actuaries be recommending judgments made across the broad sweep of a generation or more?

It is no comfort at all for an ex-employee to beat the financial mercy of annual discretionary decisions made by a company he left perhaps many years before. In any case, the whole notion of "annual discretionary increases" in an inflationary era is fundamentally dishonest. What is in truth being retained *is* the right of the employer to make discretionary real *cuts* in deferred pensions.

But, it is often argued, there is no acceptable alternative. Full inflation-proofing of benefits, including deferred pensions, would be prohibitively expensive unless the level of the benefits were reduced. Yet having promised employees a pension of two-thirds of final salary, companies cannot abruptly reduce the benefits of "stayers" in order to help leavers.

This is not, however, an impossible dilemma. There is a simple way out.

What has been promised to existing employees does not have to be promised to new ones. New scheme members could be offered a new package of benefits costed at the same level as the old ones but offering an inflation-protected pension (starting, of course, from a lower nominal level). The "early leaver problem" would disappear.

Existing scheme members, meantime, could be offered a free option to switch to the new benefits scale.

On average, an inflation-proofed scheme would offer a pension of half rather than two-thirds final salary. The danger, perhaps, would be that in some schemes the inflation-protected benefit would be so much lower than this level as to be *unacceptable. If so, it would* be a measure of just how badly such pension schemes had been treating their mobile members.

Letters to the Editor

The banks' activity in the mortgage market

From Mr J. Tillett

Sir,—Mr Alistair McBay (September 6) is way off beam in his comments on the banks' activity in the mortgage market.

It is not true that "now that mortgages are not so profitable they have *effectively* shut up shop." Thanks to the latest increase in building society rates, there is now a spread of some 2 per cent between the mortgage rate and interbank rates (the banks' marginal cost of money), and mortgage business is as profitable to the banks as it has ever been. And the banks are still increasing their lending by over £200m a month, net of repayments.

It is absurd to suggest that *the banks, by entering* the mass market and subsequently having to draw in their horns, have exacerbated *the* mortgage famine. Quite obviously, if the banks had not gone into the market at all there would have been an even greater excess demand. It should be noted that, despite the cutback in the growth of the banks' lending, total new mortgage lending by banks and building societies (net of repayments) is running 37 per cent higher this year than last year.

J. P. K. Tillett
The Committee of London Clearing Bankers,
10 Lombard Street, EC3.

From Mr A. Nesbit

Sir,—Alistair McBay (September 6) raises an interesting point about the part which the banks have played in the home loans market. I have no particular axe to grind on behalf *of the building societies, but*, like him, find it strange that they should bear the brunt of the blame for higher borrowing costs, as typified by Mrs Thatcher's well publicised displeasure.

Wider publicity should be given to the fact that although the building societies have increased their rate to borrowers, they have similarly increased their rate to depositors; the banks, however, have swiftly followed suit in increasing their mortgage rates but have still to change their deposit rates: My bank recently increased my mortgage rate from 10 per cent to 11 per cent but is maintaining its deposit rate at 5 per cent gross.

This raises several questions, not least of which is do the banks seriously want depositors or do they have a sufficient "captive audience" in their current account customers?

Alan Nesbit,
"Conari,"
Byers Lane,
South Godstone,
Surrey.

Britain's aerospace industry

From the National Organiser, Aerospace, Technical, Administrative and Supervisory Section, Amalgamated Union of Engineering Workers

Sir,—Michael Donne's article of September 6 reads like a justification of the British Airways decision not to commit itself to the European Airbus A320. What it does not say, however, is that the decision is a major stab in the back *for* Britain's aerospace industry and in particular all the thousands of workers in it.

It refers to a "paper aeroplane"—these are Lord King's words. Why then has Air France committed itself to purchase 25? Could it be that it sees the crucial importance of the A320 to the French aerospace industry and indeed the maintenance of an European alternative to total U.S. domination of the world aircraft market?

The main reason for British Airways decision to lease has nothing to do with noise regulations or types of aircraft available but *has everything to do* with the Government's privatisation extravaganza. If British Airways were to be a launch customer it would inevitably mean massive expenditure which would make its accounts look worse than the Government would like, prior to any sale.

So, for the sake of *short term* alleged profit, Britain's aerospace industry will continue to decline with more job losses in British Aerospace, Rolls-Royce and many other UK companies.

When will those who know what is happening to the industry stand up and be counted before it is too late? British Airways decision may yet have sealed the fate of the Airbus, for it's not true to say all the options remain open. Boeing now stands a very real chance of securing all British Airways future orders as it has in the recent past.

C. Darke.
Onslow Hall,
Little Green,
Richmond, Surrey.

Leaks from the NHS

From the Regional Treasurer, Wessex Regional Health Authority

Sir,—I refer to the article "Warning on leaks from NHS" which appeared August 30.

The NHS employs about 1m people who are mainly dedicated to the complexities of the care of the sick and the disabled and these people cover a wide range of professions and occupations. A considerable quantity of confidential information of varying sorts and degree of sensitivity is processed and stored and intense efforts are constantly made to make sure that this information is protected, especially in the more sensitive and confidential areas. In addition, *many of the personnel* dealing with this information are, like myself, members of professional institutions in which members are covered by strict codes of professional ethics.

It gives me considerable concern and raises my ire therefore that in an area where professional accountants, architects, engineers, quantity surveyors are particularly involved, I read that a report should be published warning suppliers to the NHS about leaks of confidential information given by com*panies to health authorities*. In my own authority, I know of no leaks of information of this nature and I would expect that if any company had evidence of a leak, the matter should be immediately brought to the attention of myself or my authority so that a proper investigation could be conducted and disciplinary action taken as appropriate.

It is the task of the health authority and the particular professional officers mentioned, to exercise the necessary verifications and checks to establish that public money will not be at risk in relation to contracting with a particular supplier. Whatever the nature of the contract, the information required is a matter of professional judgement based on professional competence and experience and nothing in any standing orders or government regulations overrides the responsibility of senior and chief officers to properly protect and account for public monies. I would respectfully suggest that Health Care Industry Outlook modifies its report.

T. R. Layzell.
Highcroft,
Romsey Road,
Winchester, Hants.

At the mercy of the multiples

From the Editor, Independent Grocer.

Sir, — When one of your readers buys a loaf of bread for 28p at a supermarket, she is putting a bakery worker one step nearer the dole queue.

A loaf costs about 31p to produce, but because the giant multiples such as Sainsbury, Asda, Tesco and Kwik Save have so much buying muscle, they can extract low prices from the bakeries which have such huge production lines.

This is only one example of the buying power which is distorting the retail food trade in this country to an extent that soon we will have no local independent family stores to pop to when we have forgotten something.

We will all be at the mercy of the multiples.

What is needed is a legal minimum price for bread which will protect jobs and give the independent grocer a chance to compete with the multiples who use the commodity as a lure for hypnotised and manipulated housewives.

Alan Toft.
Blair House, High Street,
Tonbridge, Kent.

Not a rare Aussie bird

From Mr J. Coaker.

Sir,—Your column on Mr Robert Holmes á Court entitled "A rare Aussie bird" (August 20), was read with some amusement in South Africa.

"Sleek and courteous, complex and subtle, a man reckoned to possess a highly architectural view of business." These qualities, let it be said, are considered by Michael Thompson-Noel to be in sharp contrast to the convict genes still triumphant in Australian board-rooms today.

The images are so disparate as to cast doubt on Holmes á Court's convict Australian origins. And so they might. Holmes á Court is a South African, educated at Michaelhouse College (an Anglican *school considered by many to* be an upper-crust public school), who emigrated to Australia as recently as the late 1950s.

While his polish may appear extraordinary in Sydney it would hardly be out of place in 44, Main Street, or was your correspondent poking fun a little dishonestly at those Antipodean ruddy-faced jut-jawed worshippers of profit?

J. C. Q. Coaker.
2, Outspan Road,
Sandton, South Africa.

FINANCIAL TIMES
Thursday September 8 1983

Bonn sees rise in jobless despite recovery

By Jonathan Carr in Bonn

WEST GERMAN unemployment may well increase to an average of 2.5m next year, despite a market boost in economic growth, according to Herr Gerhard Stoltenberg, the Finance Minister.

Presenting his 1984 budget plans to parliament yesterday, Herr Stoltenberg stressed that an economic upswing did not normally mean more jobs immediately.

In addition, for demographic reasons, more people were coming onto the labour market – an extra 250,000 in 1983 and 1984 alone.

The average number of jobless this year might be slightly lower than the 2.35m which the Government has assumed in drawing up its 1983 budget.

Bonn was none the less providing for an average of up to 2.5m in 1984, even though real economic growth (after allowing for inflation) could increase by as much as 3 per cent, after a maximum 1 per cent this year.

In his combative speech, Herr Stoltenberg blamed many of the economic and financial difficulties, including the high level of state debt, on more than a decade of Social Democrat-led rule.

He said the Government had made a start in cutting back public sector borrowing, improving private sector investment prospects and thus boosting the chances of more jobs in the longer term. But much remained to be done.

Herr Stoltenberg said the Government's net borrowing requirement this year might well be below the previously expected DM 40.9bn ($15.3bn). The aim was to cut the sum to DM 37bn next year.

But even with the savings efforts the Government had pushed through, current estimates showed that interest rate payments alone on Federal borrowing would rise from DM 27bn this year to more than DM 36bn in 1987.

Herr Stoltenberg's figures are likely to be used as ammunition by those in the centre-right government parties who insist the knife must be taken far more drastically to government spending.

On the other hand, the Social Democrats yesterday repeated their arguments that by chopping back too much in the state sector, the Government was prolonging economic recession and encouraging greater unemployment.

Herr Stoltenberg's budget, approved by the cabinet in May, totals DM 257.8bn – a rise in nominal terms of only 1.8 per cent. The Government agreed on cuts in unemployment maternity benefits, and public sector pay, and other measures to hold back borrowing.

French threaten to send jets against Druze guns

BY PATRICK COCKBURN IN BEIRUT

FRANCE has threatened to send fighter-bomber aircraft to attack hostile artillery overlooking Beirut which was responsible yesterday for the death of two more French soldiers belonging to the multinational peace-keeping force.

A French paratroop colonel was among the dead when his unit was shelled by the artillery belonging to Druze militiamen who have been battling Christian and Government forces for the last four days.

French and U.S. jet aircraft overflew the battle area yesterday, taking off from aircraft carriers cruising offshore, to underline their determination to protect their troops.

The French threat has emphasised the growing crisis over the future of the 5,000-strong multinational force in and around Beirut, which has come under intermittent artillery fire this week following the Israeli withdrawal from the Chouf mountain area.

The multinational force, consisting of U.S., French and Italian troops, and a small British contingent, was sent into the region last year as a symbol of international support for the Lebanese Government.

Mr Amin Gemayel, Lebanon's President, who wants the multinational force to play an expanded role in his country, yesterday accused Palestinian units of joining in the fighting along the Beirut-Damascus highway and around the town of Aley. Officials say they would like the multinational force to act as a buffer between the regular army and the 45,000 Syrian troops in eastern Lebanon.

Lebanese civil and military officials showed aerial maps and radio intercepts to prove that Palestinian units, evacuated from Beirut last year after a prolonged siege, had joined 2,000 Druze militiamen in storming the Christian-held town of Bhamdoun on the main road 10 miles from the capital.

A Lebanese officer said that these forces were now moving to attack the town of Suq al-Gharb, where regular army units are in control. Most of the fighting is still in the mountains to the east of here, with occasional shellfire on Beirut itself and its international airport, where marines from the 1,200-strong U.S. contingent are stationed.

The multinational force is clearly very vulnerable to attack since its role is largely symbolic. The beleaguered government of President Amin Gemayel is keen to see a stronger multinational force acting in a conventional military role alongside the Lebanese army.

Despite the threat by M Charles Hernu, the French Defence Minister, to use fighters from the French aircraft carrier Foch now off the Lebanese coast, all the governments contributing to the multinational force are keen to avoid getting involved in the civil war in the Chouf mountains.

The Israeli Government is also keeping its distance from the civil war which makes it difficult for President Gemayel to use the Israeli troops as a counterbalance to Syrian influence.

This explains why the Lebanese are still eager to emphasise the use of Palestinian infantry and armour by the Druze. President Gemayel would like to see Washington and Tel Aviv warn Syria, without whose permission the Palestinian units could not have been committed, against trying to drive the Christian militia and Government forces out of the Chouf area.

The Government hopes that Mr Walid Jumblatt, leader of the Druze and close ally of Syria, will be satisfied with a partial victory in the mountain war and will then be prepared to negotiate. But as long as the civil war continues, the multinational force is likely to suffer more casualties

UK unions mount major review of political and economic policy

BY OUR LABOUR STAFF IN BLACKPOOL

TRADE UNION leaders in Britain yesterday gave grudging, bitter agreement to an urgent examination of the Labour Party's crushing defeat at the general election in June this year, and also to an examination of the future of the union movement itself.

After its decision earlier this week to enter into talks with the Conservative Government on proposed labour legislation, the Trades Union Congress (TUC), meeting in Blackpool for its annual assembly, also opened the way for talks with other political parties, chiefly the Social Democratic Party/Liberal alliance.

Mr Len Murray, TUC general secretary, opening the unions' major debate on the economy, said: "We cannot talk as if the trade union movement was an alternative government – like Brother Bonnie Prince Charlie waiting to be summoned back from exile."

The Centre/Right of the TUC won a further victory over the Left with a resolution by the Civil and Public Services Association (CPSA) saying that unions "could not ignore the lessons of the 1983 general election."

Debate on the resolution saw left-wing led unions fight hard against the loss of their leadership over the labour movement. But their defeat marked the most decisive shift in the TUC's position this week and allows the incoming general council – now dominated by moderates – considerable scope in shaping future policy.

An attempt to review Britain's membership of the EEC in order to frame policies that would "deal with the problems of membership" was heavily defeated. A resolution, while not explicitly calling for a reversal in TUC policy of opposition to the EEC, was interpreted as such and found little support.

There was, however, a split view over the TUC's traditional relations with the Labour Party. The trend to move away from the party was countered by an alternative view – not confined to the Left – that unions must take a firm grip of the party and bring it closer to the centre of the political spectrum.

Unions affiliated to the Labour Party still organise two-thirds of TUC membership – and the roles of the TUC Labour Party liaison committee and the Trade Unions for Labour Victory organisation are expected to remain broadly intact.

Mr David Williams, general secretary of the Confederation of Health Service Employees, said the general election failure was not the sole responsibility of the Labour Party. It was a joint failure.

Mr Alistair Graham, CPSA general secretary, said: "We are at a watershed in our affairs. It is obvious that very many of us are in a mood for change, and my argument is that change we must."

His union's resolution did not seek to break the unions' link with Labour, but called for TUC influence on Government forums to be maximised. It rejected industrial action for party political purposes.

TUC policies needed to be pursued through every avenue. Mr Murray said this meant "not only talking with the Government, but talking to any political party which has a chance of forming a government."

Among decisions taken during the economic debate were calls for a cut in interest rates and VAT and increased investment grants and regional assistance in order to reduce unemployment, and the imposition of selective import controls.

Conference report, Page 9

Paris to increase state loan to record FFr 25bn

By David Housego in Paris

THE FRENCH Government is to increase to a record FFr 25bn ($3.09bn) the state bond issue currently on offer to help finance the budget deficit. The increase from FFr 15bn followed a heavy oversubscription in the market.

The decision at yesterday's weekly cabinet meeting means that the Government will have financed FFr 35bn through the bond market so far this year of the approximately FFr 50bn it is seeking. Last year it issued FFr 40bn of state bonds.

The enthusiastic response to the offer is in contrast to the initial difficulty the Government had in placing a FFr 10bn issue earlier in the year. The new issue benefited from a combination of optimal timing and attractive rates.

Unlike previous state loans, it provides subscribers with a choice between a 13.70 per cent fixed interest rate with a 10-year maturity and a 13.20 per cent interest rate over 12 years but with the possibility of exchanging it for a floating rate issue after a period of two years.

The success of the issue was a result of a recent shortage of new bond issues and the expectation that interest rates will come down. Savings have also been increasingly directed towards the bond market because government regulations have made investments in gold and property less attractive.

Notwithstanding these largely technical explanations, the success of the issue has been a psychological boost for the Government.

President François Mitterrand cashed in on it yesterday in telling the Cabinet that the "management of the public finances is showing improvement in a number of areas." The statement was also intended to underline his confidence in M Jacques Delors, the Finance Minister. The Government spokesman said that the President has expressed his pleasure in the signs of confidence in the economy as reflected both in recent economic indicators and the development of long-term saving through the bond market.

A jarring note to this has been criticism of some commentators that the Government is paying too dearly for the loan.

In addition to the funds raised through the bond market, the Government raised a FFr 14bn obligatory loan in March as part of its stabilisation package. No decision has yet been taken on whether to make a further bond issue this year.

THE LEX COLUMN

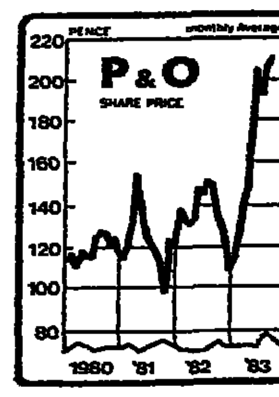
BP: right day, wrong rumour

The speculative mills in the City were grinding away in high gear yesterday on the topic of the BP offer for sale. The rumours that the underwriting for the offer would take place today can probably be discounted, but they do seem to have flushed out another not entirely unconnected story – that BP plans to dispose of a minority stake in the Forties field. The announcement, well after most commuters had reached their homes last night, follows the encouraging profit figures announced last week and the rise in the dividend. It suggests that the Government, which after all has had plenty of practice in news management in the period leading up to a placing of BP shares, has lost none of its old skills.

The proposal to sell off part of Forties makes sound sense. Far from selling off its birthright, BP is disposing of an asset whose worth in its own hands is diminishing fast. Forties is a fully developed field, with quantified reserves on which a clear capital value can be placed. BP's tax allowances are running out, as the jump in its corporation tax charge in the second quarter underlines. With a marginal rate of more than 90 per cent on the Forties income stream, the value to BP of its investment could be a quarter or less of that to a purchaser with North Sea capital expenditure against which to set the profits.

The signs that BP can realise effective multiples like this on the value of its assets has obvious implications for its balance sheet, profits and share rating. Added to rumours that existing shareholders will be given preferential treatment in the offer for sale, the development could spark more than a little anxiety among fund managers about being caught underweight in the stock. Meanwhile, the only doubts on whether the offer for sale will emerge next week centre on the Vienna Opec meeting, which it might straddle. Even on this front, the risk of bad news developing looks fairly remote.

P & O



Even after the Monopolies and Mergers Commission hauled Trafalgar's bid away to dry dock, it was next to inevitable that yesterday's interim figures from P & O would be seen in the market as part of the steam navigation company's defence.

The overall pre-tax figure of £11.1m did not attract too much cynicism – even in the circumstances – and the shares were unchanged yesterday at 211p.

There were a few raised eyebrows when it came to some of the divisional results. Bovis staged a £7m turnround to make a pre-tax profit of £5m, which seemed an exceptional result, even in a good summer and a housing boom. Trucking in continental Europe also appears to have seen a worthwhile increase in business and profits rather before its competitors, but the impact of new management here may be the clue. That could apply to the future independence of P & O as well.

Sun Alliance/Phoenix

The relative strength of the composite insurance sector has been ticking up and down between 46 per cent and 52 per cent of the All-Share with almost clockwork regularity since the beginning of the year. It is presently on a down tick, with the market having second thoughts about the new confidence it exuded early in the interim season. Two of the last three majors to report did so yesterday and nothing in their first-half fortunes seems likely to change the sector's beat.

The Sun Alliance and Phoenix Assurance have benefited predictably from the much improved weather conditions in 1983, producing a £14m underwriting improvement on the household account in Sun Alliance's case. Unfortunately, neither has quite been able to carry these gains through to the pre-tax level intact; but useful advances have been made with Sun Alliance reporting £33m against £10.1m and Phoenix £14.3m, up from £8.7m.

The off setting factor for Phoenix has been a £3½m jump in its UK motor account underwriting losses, and total losses in Ireland and the UK are only a shade lower than last year at £12.3m. But other territories, aside from the U.S., have significantly improved. Sun Alliance, with its far smaller motor account, has cut underwriting losses from £19.3m to £4.8m in the UK and scored an impressive UK premiums growth. The problem here has been reinsurance losses, which have more than doubled to £12½m and are going to remain high for a year or two. Sun Alliance has felt encouraged enough by its gains elsewhere to lift its dividend 13 per cent, however, and the prospective yield on the shares now exceeds 6 per cent.

BICC

Things got so rough in BICC's first quarter that a fairly grim set of interim figures – showing pre-tax profits a third lower at £33.7m – could be greeted yesterday with something like relief. At any rate, the market notched the shares 7p higher to 225p, 38 per cent below their peak before things went awry last year.

If BICC is right in seeing an improved second half following a better second quarter – and so on into a happier 1984 – the group could just about make £80m this year, putting the shares on about 10 times prospective net earnings.

Although this assumes little about BICC's once-glamorous electronics companies in the U.S. – whose acquisition at one point lifted the shares on to a far more fashionable high-tech plane – it probably discounts fairly fully the cyclical pickup in cables and a good performance from Balfour Beatty.

Although better cable margins in the UK are following two successful price increases, prices are still roughly a fifth below their 1982 level and the threat from imports could restrain a full restoration. Elsewhere, the headroom for BICC will be further limited this year – though perhaps not next – by its heavy commitment to markets – South Africa and Australia – where activity has yet to revive.

High Soviet official begins Peking visit

BY MARK BAKER IN PEKING

THE highest-ranking Soviet official to be invited to China in two decades arrives in Peking today. China, however, is playing down the prospects for any significant improvement in relations between the two countries.

The Soviet Deputy Foreign Minister, Mr Mikhail Kapitsa, will hold talks over a week in preparation for the next *formal* round of Sino-Soviet consultations, due to begin early next month.

But a senior Chinese official emphasised last night that Mr Kapitsa's visit was a personal one and China did not believe Moscow was ready to make concessions on the major issues dividing the countries.

"I think it is impossible that the obstacles will be removed in the near future so that there can be a substantial improvement in relations," the official said.

He said that Mr Kapitsa, who is in charge of Asian affairs in the Soviet foreign Ministry, would hold two rounds of talks with the Chinese Vice-Foreign Minister, Qian Qichen, and "possibly" meet with the Foreign Minister, Wu Xueqian.

Mr Kapitsa will be welcomed as a guest of Qian, who heads the Chinese negotiators in the Sino-Soviet talks, but China is emphasising the distinction in status between this visit and an official government invitation.

China is currently attempting to balance improvements in its relationships with the Soviet Union and the U.S. It is anxious to avoid the Soviet Union emphasising improved trade and cultural ties without making concessions on substantive foreign policy differences.

China has singled out Soviet support for the Vietnamese invasion of Kampuchea, the occupation of Afghanistan and the presence of an estimated 1m Soviet troops along their mutual border as the main obstacles to normalisation of relations.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	F	26	79	Dubrovnik	S	26	79	Malaga	S	28	82	Salzburg	F	15	59
Akrotiri	S	28	82	Faro	S	31	88	Malta	S	27	81	Seoul	S	27	81
Algiers	S	30	86	Florence	S	28	82	Manila	C	33	91	Singapore	S	32	90
Amsterdam	F	16	61	Frankfurt	F	17	63	Miami	C	31	88	Stockholm	R	10	50
Athens	S	27	81	Funchal	S	27	81	Milan	S	27	81	Strasbourg	F	18	64
Bahrain	S	36	97	Geneva	S	21	70	Moscow	F	21	70	Sydney	C	25	77
Bangkok	S	32	90	Gibraltar	S	26	79	Munich	S	15	59	Taipei	S	33	91
Barcelona	S	26	79	Guernsey	S	17	63	Nairobi	—	—	—	Tangier	S	31	88
Beirut	S	27	81	Helsinki	R	11	52	Naples	F	26	79	Tehran	—	—	—
Belgrade	R	16	61	H Kong	S	31	88	New Delhi	C	35	95	Tel Aviv	S	28	82
Berlin	C	15	59	Innsbruck	S	18	64	New York	S	35	95	Tenerife	S	31	88
Biarritz	F	24	75	Inverness	F	11	52	Nice	S	25	77	Tokyo	C	32	90
Blackpool	F	16	61	Istanbul	F	24	75	Oporto	S	28	82	Toronto	S	32	90
Bordeaux	S	23	73	Jersey	F	18	64	Oslo	F	18	64	Tunis	F	31	88
Brussels	F	16	61	Jo'burg	S	24	75	Paris	S	18	64	Valencia	S	31	88
Budapest	—	—	—	Las Palmas	S	33	91	Prague	—	—	—	Venice	S	24	75
B. Aires	F	18	64	Lima	C	22	72	Reykjavik	F	7	45	Vienna	F	17	63
Cairo	S	34	93	Lisbon	S	31	88	Rio de J'o	R	26	79	Warsaw	C	13	55
Cape Town	—	—	—	Locarno	S	26	79	Rome	S	27	81	Zurich	F	16	61
Caracas	S	28	82	London	F	18	64								
Casablanca	S	26	79	Los Angeles	C	32	90								
Copenhagen	F	15	59	Luxembourg	F	15	59								
Corfu	S	27	81	Madrid	S	31	88								
Dublin	C	17	63	Majorca	S	29	84								

Readings at mid-day yesterday:

C–Cloudy D–Drizzle F–Fair Fg–Fog H–Hail R–Rain S–Sun Sl–Sleet Sn–Snow T–Thunder

US softens stance on steel

By Anthony McDermott in Geneva

THE U.S. Government yesterday appeared to soften its tough stance gainst European claims for $570m in compensation trade to counter the imposition of U.S. tariffs on European-made special steels.

At a one-day session in Geneva between U.S. and EEC negotiators, the U.S. indicated it would carry out a "detailed analysis" of the adverse impact its steel action had had on EEC exporters. The talks were held under the auspices of the General Agreement on Tariffs and Trade (Gatt).

An EEC communique said the U.S. negotiators remained ready "to comply fully with the rules of Gatt," on the special steels dispute.

The Community is arguing for reduced U.S. tariffs for exports of steel and steel-related products, chemicals and textiles to compensate for the raised tariffs and quotas imposed in July by the U.S.

The suggestion of U.S. co-operation aimed at an amicable settlement of the dispute differs from Washington's position in recent weeks in which it indicated it would reject any EEC call for $570m in compensation, such as a cut in tariffs worth that amount of trade.

Yesterday's talks were the second between the two groups, but a third round of talks is to take place in October.

The U.S. special steel industry has been protected by a system of quotas since 1972. As as result, the Community claims that its exports have been maintained at an artificially low level of between 30,000 and 33,000 tonnes as year. When the open market was re-estabilished in 1982, European exports to the U.S. rose rapidly to 88,000 tonnes last year.

Gromyko says that jet was shot down

Continued from Page 1

no weight given to human values in that kind of statement."

He was "very disappointed to sit here in the hall and hear continued falsehoods on such a matter of moving importance in the human rights area at the conclusion of a conference that has stressed human rights matter so strongly."

Mr Gromyko used the occasion of his speech to renew the Kremlin's attacks on planned deployment of new U.S. missiles in Europe. "It is still possible to reach an agreement between the U.S. and the USSR on limitations of nuclear weapons in Europe," he claimed.

He also warned that the worst threat lay in the militarisation of outer space. Mr Gromyko's statement on Euromissiles appeared to signal that the Soviet Union was anxious to keep the dialogue open on nuclear arms despite the Korean aircraft incident.

However, Mr Gromyko's tough position on the shooting down of the Korean jet is likely to put further pressure on Western countries to formulate sanctions.

Herr Hans Dietrich Genscher, the West German Foreign Minister, said earlier the airliner attack "could not be justified." He and other foreign ministers emphasised the disproportion between the violation of air space and the action taken against it.

Banks set to boost IMF

Continued from Page 1

SDR 25bn and commitments to a further SDR 15bn.

The increase in quotas to SDR 90bn is still held up in the U.S. legislative process, but if a Bill can be framed to satisfy both houses of Congress, it is expected that increased quotas could be agreed and paid from January 1984.

That would give the fund about SDR 64bn of usable resources, excluding the two loans from the BIS and from Saudi Arabia being negotiated.

Some European officials believe, however, that that amount might be swallowed up almost at once, if requests for assistance already pending were all granted.

The future of those requests will depend very much on whether or not the rules for granting assistance are relaxed later this month.

Fed intervened heavily on $

Continued from Page 1

unsettled trading," the Fed said in its six-month report prepared for Congress. "Rate movements were sharp and sudden as market participants became reluctant to take positions, causing trading to become thin and the market to become disorderly."

The dollar closed at DM 2.6330 in New York on July 28. According to the Fed, it intervened on four occasions during the next six trading sessions, buying the equivalent of $182.6m in D-Marks and $71.5m in yen.

Mr Sam Cross, an executive vice-president of the the New York Fed in charge of its foreign-exchange operations, said he considered the intervention to have been successful. "It was beneficial in certain ways," he said.

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FINANCIAL TIMES
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Elf threatens Paris with cutback in refining operations

BY DAVID HOUSEGO IN PARIS

M MICHEL Pecquer, the newly-appointed chairman of Elf Aquitaine, the French state-controlled oil company, warned yesterday that the group might have to cut back its refining operations in France as a result of the Government's controversial decision last week to modify the formula fixing the price of petroleum products.

M Pecquer said the decision was "very serious." His protest is in line with that of other oil companies against the new formula, which they see as pushing up refining losses. But it is the first time that M Pecquer, who took over as head of Elf from the flamboyant M Albin Chalandon in June, has publicly taken issue with the Government. M Chalandon resigned in a dispute over the future of Elf's chemical interests.

M Pecquer said that if the group continued to lose FFr 3bn a year on its French refining operations, then it had no interest in maintaining its present market share. Elf accounts for 22 per cent of oil refined in France and employs 11,000 people in its refining division. The group made net consolidated profits last year of FFr 3.5bn ($434m) after losing FFr 3.3bn on the refining.

The effect of the controversial new pricing formula is to block for the remainder of the year the franc/dollar parity rate used in calculating prices at FFr 7.70.

Esso SAF also protested last week at the Government's decision which it claimed would further exacerbate refining losses in France that last year cost the industry FFr 13bn.

Elf also revealed yesterday that it had been given government permission to remit the foreign exchange needed to pay debts contracted in the U.S. when it acquired Texas Gulf.

U.S.–Swiss talks on Marc Rich begin

BY JOHN WICKS IN ZURICH

SWISS and U.S. government officials began talks in Berne yesterday on Marc Rich, the Swiss-based commodities trader at the centre of a dispute between the two countries over legal sovereignty.

The talks, expected to last two or three days, will focus on demands by a New York court on the Zug-based trading company for documents to be subpoenaed for examination by U.S. authorities investigating whether or not it evaded tax in the U.S.

The delegations are made up of officials from the Swiss ministries of foreign affairs, justice and economic affairs and the U.S. state and justice departments.

According to Swiss Government sources, the discussions are intended to consider the "use of existing legal-aid channels" in the Marc Rich affair, particularly a new Swiss law concerning the granting of international legal aid in criminal prosecutions.

Berne had previously made it known that U.S. measures against the group, claimed to have evaded payment of some $20m of U.S. taxes, had been made without Washington having applied for legal-aid facilities from Switzerland.

Carrefour warns of fall in earnings

By Our Paris Correspondent

CARREFOUR, the leading French supermarket group, expects consolidated profits to be down 10 per cent this year as a result of the widespread fall in consumer sales in France.

The company's profits were already affected by the slowdown in economic activity last year coupled with government controls on prices and retail margins. Carrefour reported a 9.9 per cent rise in net consolidated profits to FFr 312m ($38.5m) after a 23 per cent increase in 1981.

The group made its forecast for 1983 when announcing yesterday that at the halfway mark gross profits before the employees' profit-participation and dividends from subsidiaries, were down to FFr 308.9m as opposed to FFr 232.8m for the same period in 1982 – a fall of 24 per cent.

Sales during the first six months rose 11 per cent to FFr 8.3bn not much above France's 9 to 10 per cent inflation rate. After some pick-up in sales in September the group expects a difficult market for the rest of the year.

Sales and profits from the group's operations abroad are doing better than its French activities.

New curb on Irish directors

THE IRISH Government is to amend company law "as a matter of priority" to restrict the freedom of directors of bankrupt companies to establish new enterprises.

The legislation will be put before the Dail (parliament) as soon as possible. The chief measure will be to make directors personally liable in certain circumstances for the debts of their companies.

THE MERGER OF TWO BANKS HAS CREATED AN OFFSHORE GIANT

Amex's 'ugly duckling' stalks success

BY PAUL TAYLOR IN NEW YORK

Sanford I. Weill, president of American Express, flanked by Edmond Safra (left) and James D. Robinson

A LITTLE MORE than two years ago American Express International Banking Corporation (AEIBC) was the "ugly duckling" of the expanding American Express Amex financial services empire.

Overstaffed but under-managed, the offshore bank narrowly escaped the Amex axe. But armed with a new strategic plan – and a management determined to put it into effect – AEIBC had already begun the transformation.

Then in January this year Amex stunned the banking world by announcing a deal with Mr Edmond Safra, the banker who built up the Swiss-based private banking group, Trade Development Bank Holdings (TDBH).

In return for ($520m) in Amex shares and cash, Mr Safra agreed to merge the non-U.S. interests of TDBH with AEIBC and eventually to become chairman of the new combined bank. Almost overnight, AEIBC was catapulted into the limelight.

The deal, which was finally consummated in March, created one of the biggest offshore banks in the world with offices in nearly 40 countries, assets of $13bn, about $6bn of funds under management and a private banking clientele which is the envy of all but a few bankers.

Through the acquisitions AEIBC had achieved its five-year plan in a single stroke. The only outstanding questions were, was the price right, will the combination work and what happens next?

Nine months later, Mr Bob Smith, who became president and chief officer of the combined bank earlier this year, in the latest series of senior management changes, believes he has most of the answers.

"TDB has given AEIBC access to a low-cost stable deposit base," he says. "The merger was a natural because now we have the liability gathering capacity as well as the asset generating capability."

Certainly the figures are looking better. Last year AEIBC earned $60m, a 27 per cent increase over 1981 despite a sizeable increase in loan loss provisions bolstering loan loss reserves, which has continued this year, and now stand at 2.55 per cent of total oustandings – considerably higher than at many U.S. money centre banks.

In the first seven months of this year the combined bank earned $76.8m for a 1.01 per cent return on assets and 17.77 per cent return on equity, close to the ratios found elsewhere in the Amex empire.

AEIBC's performance on its own, stripping out the impact of the TDB merger, has also improved. Between January and the end of July AEIBC earned $41.6m compared to $31.5m in the same period last year. Return on assets increased from 73 basis points in the first seven months last year to 95 basis points this year and touched 103 in July itself, while return on equity has increased from 16.34 per cent to 18.71 per cent and reached 19.27 per cent in July.

The improvement at AEIBC largely reflects improved revenue streams, a tighter grip on expenses and the effects of the bank's new, more conservative yet innovative, approach towards lending which has led the bank to develop new fee-earning, trade-financing tools in the face of continuing weak spreads on traditional forms of lending.

The merger with TDB, a highly profitable and extremely conservatively leveraged bank, has accelerated a process which was already apparent.

The combined bank's assets currently total about 16.6 times its equity compared to AEIBC's leverage of around 21 times at this time last year and the bank's outstanding loans of about $6bn, represent less than 50 per cent of assets.

The result is a highly liquid bank far less dependent than the old AEIBC on overnight borrowed funds and with plenty of room to expand, "if the spreads are right," Mr Smith adds.

Meanwhile, AEIBC is trying to find ways of doing business in "new and unique ways." In one such deal AEIBC has arranged for its leasing company to buy two U.S. airlines jets. AEIBC then leased the jets to a Far East airline and insured the residual value of the aircraft, pricing the insurance into the transactions.

Mr Smith also sees opportunities on the liability side as AEIBC's existing private banking services and those of TDB are combined.

Despite some successes the merger between TDB and AEIBC is still far from complete, particularly on the private banking side.

One of the problems is combining the offices and personnel of the two groups, which in several key locations like London and Switzerland, have overlapping branches. In London, for example, TDB has 200 employees and AEIBC 334.

Mr Smith says that "90 per cent of the problems have been solved," but adds that the merger is "only 10 per cent complete." In France, for example, the combined bank has had to agree to set up two branches to meet French Government requirements.

Mr Safra's role in the future AEIBC, and in Amex in which he is now the single largest individual shareholder with just under a 3 per cent stake, should also be clearer by then.

In Amex's New York headquarter's the Lebanese-born banker is still expected to become AEIBC's chairman despite the delay which Mr Smith says has been caused by "legal difficulties" related to Mr Safra's continuing interest, through TDBH, in New York's Republic National Bank.

In any event, Mr Smith says he talks to his future boss by telephone "almost every day" and adds: "There is very close co-operation."

In the meantime, Mr Smith is currently drawing up a new five-year plan for the bank which will stress trade financing and private banking – the asset and the liabilities sides. "It will reflect the addition of TDB," he says, "but no major strategic change will take place."

AEIBC's success has also brought its own peculiar problems. The bank may no longer be Amex's "ugly duckling" – indeed Amex's shares have recently been under pressure because of concern among some Wall Street brokers about the future performance of some of the financial service company's other units.

But that means the heat is now on AEIBC to continue to boost profits. "I keep telling Jim Robinson (Amex chairman and chief executive) not to expect to earn much more than 100 basis points on the business," says Mr Smith, "it's hard to do that, competition won't allow it."

He adds: "I think the results of the bank will be a function of its size from here on out. There is not another quantum jump in the woodwork; we have had that quantum jump."

PROFILE OF AEIBC'S MERGER WITH TDB ($)

	Combined bank End July	End 1982	AEIBC End 1981	End 1980
Assets	13bn	7.7bn	7.1bn	6.95bn
Total loans	6bn	4.5bn	3.9bn	3.8bn
Non-performing loans	101m	89m	87m	68m
Loan loss reserves	157m	103m	91m	89m
Total shareholders equity	753m	367m	323m	294m

Source: AEIBC

Borregaard enters bid battle

By Fay Gjester in Oslo

KOSMOS, the Norwegian shipping group that is seeking to acquire control of Saugbrugsforeningen, a forest products company, has announced its terms for the bid. It will pay NKr 225 ($30) per share under certain conditions. The share price was NKr 160 – 60 per cent above par – when they were suspended on the Oslo stock exchange about two weeks ago.

At the same time a leading Norwegian industrial group, Borregaard, has confirmed it is considering putting in a rival bid for the company. Its board is expected to make a decision later this week.

Kosmos, which already holds 16 per cent of Saugbrugsforeningen's 500,000 shares, wants to buy at least 74 per cent more, giving it control of 90 per cent.

As well as the NKr 225 per share purchase price for about 370,000 shares, Kosmos undertakes to pay the profits tax that may be levied on sellers. It believes the total will not be very large after allowing for tax concessions which it can claim in connection with the purchase. Overall the deal will be worth around NKr 83.25m ($11.1m).

Eastern Air in shelf filing

By Our Financial Staff

EASTERN Air Lines, the fourth largest U.S. carrier, has filed a shelf registration with the Securities and Exchange Commission covering 750,000 shares of $3 cumulative convertible junior preferred stock and 5m common shares.

The shares, which are to be offered through Chase Manhattan Bank as trustee, can be sold on the New York stock exchange in brokerage transactions, in the over-the-counter market or otherwise. The shares may also be sold to or through underwriters including Merrill Lynch.

Chase Manhattan holds the shares for the benefit of up to 11 pension plans which cover substantially all the airline's employees.

Last month Eastern revealed a half-year loss of $94.4m, which compared with a loss of $54.4m for the corresponding 1982 period, on revenues up from $1.88bn to $1.96bn.

In May, the group announced details in a filing with the SEC for a $300 package of debt securities which it planned to offer employees in return for wage and other concessions. It also revealed that its major creditor banks had approved a financial recovery plan

Campbell Soup lifts profit to $165m

BY WILLIAM HALL IN NEW YORK

CAMPBELL SOUP, one of the world's largest producers of canned soup, increased its net income in the final quarter by 21 per cent to $36.7m which helped boost its full year earnings by $15.4m to $165m.

Sales in the fourth quarter, which ended July 31, rose 15 per cent to $764.9m. For the full year sales were 11 per cent up at $3.29bn.

Net earnings for the final quarter and full year were $1.14 per share and $5.12 per share respectively, which compares with 94 cents and $4.64 per share in the comparable periods of last year.

Mr R. Gordon McGovern, president of Campbell Soup, attributed the strong performance to improved operating earnings from the U.S. and a first year contribution from Mrs Paul's Kitchens. It says that full year earnings were "negatively affected" by the international operations. Unit volume rose by 11 per cent in the final quarter and 10 per cent for the full year but after stripping out the impact of acquisitions, volume growth dropped to 5 per cent for the fourth quarter and 4 per cent for the full year.

GE takes major role in Houston power plant

BY OUR NEW YORK CORRESPONDENT

GENERAL Electric, the U.S. heavy electrical group, is to be part-owner and operator of a new $100m co-generation power plant in Houston, which will rank anong the top 10 such facilities in the U.S.

Co-generation power plants simultaneously produce process steam and electric power from the same fuel source. General Electric has traditionally supplied equipment for such plants, but until this venture has not been an owner.

The company announced yesterday that it would take a 49 per cent stake in the New Bayou co-generation plant. Its partner in the venture, Big Three Industries, will own the remainder. The 300 MW plant will begin producing electricity and approximately 1.4m pounds of steam per hour late next year.

The new facility will serve as an energy centre for six Houston Industrial plants. The steam produced will be used for the production of oxygen, nitrogen and argon at Big Three's own facility close by. Extra steam will be distributed to neighbouring chemical companies.

Turkish Koc group sells bank holding

BY OUR ANKARA CORRESPONDENT

IN ONE of the biggest upsets in the Turkish banking world for many years, the Dogus construction company has purchased a controlling interest in Garanti Bankasi, Turkey's fifth largest private bank, from the Koc group.

Neither company gave any sign that a deal was under discussion until an arrangement was concluded in Istanbul yesterday. Dogus has paid Turkish liras 1.24bn ($4.9m) for a 62 per cent stake in the bank. The Koc group said it had decided to sell its interest in the bank because of legal complications arising from a banking decree announced in July.

It said the new regulations required banking ownership to be vested in individuals and not companies or corporations. The group claimed this would have forced major changes in the ownership of Garanti Bankasi, in which it acquired its controlling interest in 1976.

However, it is common knowledge in Istanbul that Koc has been at odds with the other major shareholder in Garanti Bankasi, the Sabanci group, which owns 35 per cent.

Sabanci has a right of veto over the appointment of the bank's managing director as well as over any capital increase arrangements. Garanti Bankasi announced some time ago that it would shortly be increasing its capital from TL 2bn to TL 8bn.

Dogus, strongly fancied to win the $2bn civil works tender for the Ataturk high dam on the Euphrates, expected to be awarded on September 28, already has a 92 per cent interest in the small Turkiye Imar Bankasi and its president, Mr Ayhan Sahnk, was once a substantial shareholder of the Yapi Ve Kredi Bankasi.

IMI takes stake in Fiat arm

By James Buxton in Rome

FIAT, Italy's leading private-sector industrial group, is selling 10 per cent of its successful production systems subsidiary, Comau, to Istituto Mobiliare Italiano (IMI), the state-controlled investment company.

Earlier this year Fiat sold 30 per cent of Comau to Allied Bendix, the U.S. car components and machine tools maker. The entry of IMI into Comau, further broadening its ownership structure, is seen by Fiat as helping to assure the success of the proposed quotation of Comau shares on the Milan stock exchange, although no date has been set for this.

IMI, which will hold its participation in Comau through its financial subsidiary Italfinanziaria Internazionale, sees the deal as a continuation of its policy of taking minority stakes in high-technology companies with a view to their shares eventually being placed on the stock exchange.

Comau is considered one of the most advanced European companies in the field of automated production systems using robots.

It equips the plants of other vehicle manufacturers in Europe, the U.S. and the USSR, as well as those of Fiat. It has annual sales of about L450bn ($281m) and makes consistent, if modest, profits.

Loss at Philips Australia

By Michael Thompson-Noel in Canberra

AUSTRALIA'S Philips Industries has reported a net loss of A$9m (U.S.$7.9m) for the six months to June 30, against a small net profit in the first half last year and a loss for 1982 as a whole of A$10.2m.

The Dutch-controlled group said that margins in its consumer electronics and appliances businesses had been obliterated by low-priced imports and depressed local demand. Interest charges were A$6.9m (A$8.5m for the first half of last year) and depreciation A$5.1m (A$4.8m). It does not pay an interim dividend.

Directors said there was "little ground for optimism that the second half will produce a major recovery," adding that the latest result reflected the "very troubled state" of the consumer electronics and appliance business in Australia.

Similarly, Simpson Holdings, the white goods, manufacturer, saw a A$6m loss for the year to June 30, compared with a A$2.1m profit previously.

INTL. COMPANIES & FINANCE

CSR says results for three years overstated

SYDNEY — CSR, the Australian sugar, construction, minerals and energy group, said investigations of an accounting discrepancy in a South Australian unit have disclosed an overstatement affecting CSR group after tax profits by a total of about A$8.5m (U.S.$7.5m) over the three years to last March.

The discrepancy, in the South Australian contracting division of the Readymix Farley Concrete unit, does not appear to have occurred through misappropriation but through irregular accounting practices. Reuter

Holmes à Court group raises earnings by 77%

BY MICHAEL THOMPSON-NOEL IN SYDNEY

BELL GROUP, the Perth-based master company of Mr Robert Holmes à Court, the Australian entrepreneur, had a 76.7 per cent improvement in profits in the year to June 30, 1983, from A$10.1m to A$17.9m (U.S.$ 15.6m).

The main factor was a dramatic turnaround at Associated Communications Corporation (ACC), the London-based entertainment group formerly run by Lord Lew Grade. ACC contributed A$10.7m to the group's consolidated operating profits.

ACC was initially acquired by Mr Holmes à Court's TVW Enterprwises, which was subsequently merged into Bell group to form a media, entertainment and transport group. Turnover of the group was A$505.4m in 1982-83 compared with A$113.6m previously.

Bell group has declared a final dividend of 5 cents a share payable on December 5, for an unchanged total dividend of 10 cents a share. Earnings per share rose to 35.8 cents from 31.9 cents.

With Bell group still being reorganised, directors said yesterday that additional investments had been made in "profitable and potentially profitable activities."

The contribution by TVW Enterprises to Bell group's full year result, including the UK activities, was only A$1.6m, well down on the previous year's profits of A$4.7m.

Interest charges were sharply higher at A$36.8m, A$7.6m previously, but interest payments received totalled A$20m. Tax was A$5.3m, against A$265,000, while investment and other income more than doubled to A$28.4m.

Mr Holmes à Court's latest foray in Australia is a A$12 share-swap offer for shares in Broken Hill Proprietary, Australia's biggest company, launched via recently acquired subsidiary, Wigmores. However, BHP's shares were trading at above A$12 this week, as a result of the stock market euphoria in Australia.

Santos lifts interim payout as profits soar

By Our Sydney Correspondent

SANTOS, the major partner in Australia's A$1.2bn Cooper Basin natural gas and liquids project, has boosted its interim dividend threefold, to 6 cents per share, on the strength of a 85 per cent increase in net profits for the six months to June 30, to A$18.9m (U.S.$16.4m).

The interim dividend is the same as that paid in the second half last year, and is covered by first half earnings of 12.4 cents per share.

Santos, whose share price has benefited from the current bull run on Australian oil and gas stocks, is reaping the benefits of the Cooper Basin liquids scheme, which came on stream last January. Directors said "much higher production rates and utilisation of plant" were being achieved now than in the first half.

Second half net profits last year were A$17.2m, reflecting a sharp rise in the price of gas sold to South Australia. Deliveries to New South Wales are the subject of current price talks.

Interest payments rose sharply, to A$8.6m (A$648,000 previously), while depreciation was A$10.3m (A$4.6m). The position for deferred tax was A$10.6m (A$3.1m).

Turnover was 150 per cent higher, at A$60.7m against A$24.26m.

The full impact of the Cooper Basin cashflow will be felt in the second half next year, when sales of liquid petroleum gas starts. By then, Santos will also be earning from the Jackson oilfield in Queensland, in which it has a 40 per cent stake.

Santos has a 46 per cent interest in the Cooper Basin gas project, a 39 per cent stake in the liquids scheme and manages both. Its partners include Crusader Oil, CSR, Vangas, and Bridge Oil.

Premier board fights buy-out bid

BY OUR JOHANNESBURG CORRESPONDENT

THE Directors of Premier group, one of South Africa's largest food companies, have advised shareholders not to accept an offer from a consortium to buy their shares at R25 each.

The consortium, which comprises the mining houses, Anglo American and Johannesburg Consolidated Investment, and the insurance company, Liberty Life, acquired from Associated British Foods in May its 52 per cent interest in Premier for R337m ($299m) or R25 a share. The consortium has extended its offer to Premier's 48 per cent minority shareholders.

Concurrently with the consortium's acquisition, Premier acquired 34 per cent of the issued capital of the country's monopoly brewer, South African Breweries. The management disputes which followed this led to the resignation of SA Breweries' chief executive, Mr Dick Goss, and the separation of its casino and hotel interests previously held by a subsidiary, Southern Sun.

This arrangement involved the sale to SA Breweries of the 10 per cent interest in the hotel chain owned by Southern Sun's then chief executive, Mr Sol Kerzner. Mr Kerzner's Newco concern used the cash from this sale to buy a controlling 51 per cent interest in Southern Sun's casino operation. SA Breweries also increased its stake in the hotel company from 70 per cent to 80 per cent.

SA Breweries has offered the remaining minority shareholders in Southern Sun 80 of its own shares for every 100 Southern Sun shares they hold. If all of the Southern Sun minority shareholders accept the offer, SA Breweries will issue 12.2m new shares. Premier has underwritten the cash alternative whereby Southern Sun's shareholders who accept the offer can sell their SA Breweries' shares to Premier for 787.5 cents each.

● An indirect measure of the continuing losses of Sigma, the troubled South African motor manufacturer, is disclosed by the news that the company's major shareholders are to provide it with additional funding of R100m ($88.7m). Sigma is owned in equal proportions by the industrial holding company, Anglo American Industrial Corporation (AAIC), and the mining house, Anglo American Corporation, AAIC's parent company. The two controlling companies are to provide R75m in equity capital and a further R25m in loans.

In part the funds are earmarked for tooling-up for the new Mazda models and in part for the expansion of existing facilities. Unofficially, however, the company says that the cash is necessary to fund Sigma's continuing losses.

Last year Sigma, which makes Peugeot and Mazda vehicles, recorded a loss of R50m and management foresaw no reduction in the current year.

Birla switch from Vauxhall to Isuzu

By R. C. Murthy in Bombay

HINDUSTAN MOTORS, the Calcutta-based vehicle producer which is part of the Birla group, has abandoned plans to collaborate with Vauxhall Motors for producing heavy commercial vehicles in India.

Instead the company has turned to Isuzu Motors of Japan, which, according to Mr G. P. Birla, its chairman, has the latest technology best suited to Indian conditions. The company has sought government permission to produce 30,000 commercial vehicles per year with Isuzu assistance.

The market for commercial vehicles and passenger cars in India is becoming increasingly competitive with the entry of Suzuki to make Maruti cars and half a dozen other Japanese companies currently tying up with local companies to make light and heavy commercial vehicles.

Hindustan Motors is having to update its technology to stay in the field. The company is modernising its passenger car plant and, in the process, proposes to expand the production capacity to 50,000 units, for which it has sought government approval. It also plans to manufacture, with Isuzu's help, fuel-efficient petrol and diesel engines, transmission systems and axles

Recession forced Hindustan Motors to cut production of passenger cars and trucks last year. Sales fell by 5 per cent, to Rs 2.87bn (U.S.$284.4m) from Rs 3.04bn in the year to March 1983.

Pre-tax profits slumped to Rs 180.3m from Rs 220.1m in 1982-83. Tax rebate for capital investment during the year, however, helped lift after-tax profits to Rs 122.25m from Rs 90.61m. The payout was maintained at 20 per cent.

Anglo-Alpha denies Swiss shareholder plans pull-out

BY OUR JOHANNESBURG CORRESPONDENT

MR PETER BYLAND, the chairman of Anglo-Alpha, has moved to squash rumours that his company's largest shareholder, the Swiss-headquartered Holderbank Financiere Glaris, intends divesting from South Africa.

Anglo-Alpha is one of South Africa's largest cement producers and, according to Mr Byland, Holderbank is unlikely to sell out of an industry which is expected to grow at a rate of between 5 and 6 per cent on a long-term basis.

Rumours that Holderbank was a possible seller started three weeks ago when 500,000 Anglo-Alpha shares were traded in one deal on the Johannesburg stock exchange. This compares with a more normal annual turnover in the shares of about 300,000. Holderbank has a 33.75 per cent stake in Anglo-Alpha's 15m issued shares.

As well as emphasising that Holderbank would not consider selling its Anglo-Alpha shares Mr Byland says that it is unlikely that the cement company's other major Swiss holding company, Altur Investment, which has a 12.33 per cent interest, would be selling any of its stake.

In the six months ended June 30 Anglo-Alpha generated a pre-tax operating income of R34m ($30.2m) on a turnover of R126m. In 1982 the company's turnover was R253m and its pre-tax income R66.6m. At the interim stage the company estimated that turnover this year could be 10 per cent lower than in 1982.

Strong advance at Woodside

By Our Sydney Correspondent

AUSTRALIA'S Woodside Petroleum, the key partner in the A$11bn North-West Shelf natural gas project, off Western Australia, recorded a 74 per cent increase in net profits in the six months to June 30, to A$2.1m (U.S.$1.8m), thanks to improved earnings by its subsidiary, Vangas.

During the half year, Woodside drew down a total of A$331.3m — A$293.7m for the North West Shelf project, and A$37.6m for the onshore Cooper Basin liquids project, in which Vangas has a stake.

Woodside has a 50 per cent interest in the North West Shelf's A$2.5bn first stage, involving supplies of natural gas to Western Australia from mid-1984.

The company is negotiating with Mitsui company and Mitsubishi Corporation, the Japanese trading houses, with a view to their taking up a joint one-sixth stake in the project's second phase.

Poor result at Bank Hapoalim

By L. Daniel in Tel Aviv

CONSOLIDATED net profits of the Bank of Hapoalim group, Israel's second largest bank, rose in shekel terms by 140 per cent in the first half of this year compared with the same period of 1982 to Sh 2.85bn. In dollar terms, they rose from $49.3m to $60m.

However, when adjusted for the annual rate of inflation, in line with Opinion No. 23 of the Chamber of Certified Public Accountants, the semi-annual statement of profits (in shekel terms) shows a loss of Sh 1.19bn

INTL. COMPANIES & FINANCE

Securities houses lead boom in venture capital in Japan

BY YOKO SHIBATA IN TOKYO

Japan has been expanding its venture capital business, and a tenfold growth is looked for in the market over the coming five years, to take the leading 20 companies to total investments of Y300bn ($1.2bn). The expansion builds on the relatively small base resulting from a boom in the 1970s, and has been encouraged by the moves to set up over-the-counter trading in the country this November. Whereas the earlier expansion was led by the banks, the latest is led by the securities houses

VENTURE CAPITAL in Japan has found new momentum. In a year some 20 venture-capital companies have been launched. The boom lies mainly in the hands of the securities houses, which have set up more than 12 subsidiaries in this field since last summer.

Japan's venture capital industry is modelled on the U.S. and spawned vigorously in the 1970s.

Eight venture capital companies were then brought into being, for the most part under the lead of banks. However, the market had long been almost non-existent, partly because businesses with high growth potential and sophisticated technologies had not developed as well as those in the U.S.

Slowness also derived partly from the inactivity of the over-the-counter (OTC) market, where only 108 stocks were traded by the end of 1982, while turnover of 68m shares in that year was less than daily turnover on the Tokyo Stock Exchange. As a result two companies out of the eight founded in the first boom had, by last year, pulled out.

Securities companies have sought stakes in emerging unlisted concerns with the potential to gain a listing on stock exchanges.

Capital gains earned by six leading companies have lately enticed new entrants into the venture capital business. For example, Tokyo Venture Capital, set up by Dai-Ichi Kangyo Bank (DKB) and 18 other concerns in 1974, invested Y40m ($17,000) to acquire 220,000 shares of Takeda Riken Kogyo, a semiconductor testing equipment maker through a series of private placements, starting in 1979. When Takeda Riken was listed on the second section of the Tokyo Stock Exchange in February, trading in it was held up for eight days, as a result of speculative buying. The starting price was Y2,750; the price at which it settled Y6,350.

Tokyo Venture Capital made capital gains of Y227m on the sales of 50,000 of the 220,000 Takeda Riken shares.

Ono Sokki, the measuring equipment maker which was listed on the second section of the TSE on August 15, followed a similar pattern. Buying orders for Ono Sokki stock have sent up the issue to Y3,570, from the subscription price of Y1,370. Capital gains are expected by four venture capital companies, Diamond Capital, Central Capital, Tokyo Venture Capital and Nippon Enterprise Development, which have acquired 353,000 shares of Ono Sokki for Y1bn through three private placements since 1980.

A recent survey by the Ministry of International Trade (MITI) indicated that venture capital companies have switched their pace of investment into a higher gear. According to a survey covering 20 venture capital companies, the aggregated investments by fiscal 1981 totalled only Y15bn, though in the following year another Y6.5bn was brought in.

In the three months from April to June, the venture capital companies' investment rose to Y9.9bn. In all, the investment for the current fiscal year, to March, is expected to reach Y15bn, doubling the previous year's level. The investments of 20 companies at the end of June stood at Y31.4bn, of whch those of the six leaders accounted for Y22.9bn. It is thought in the money market that investment will expand 10 times in five years time, to some Y300bn.

The inauguration of the revised OTC market, set for November, has contributed to the move of securities companies into the venture capital market. The Japanese OTC market had been thought of as a market for corporations falling short of the requirements of other stock exchanges. However, the Securities Dealers Association of Japan has taken a fresh look of the OTC market, seeing it as a means of luring individual investors back to the stock market, and of paving the way for smaller enterprises to procure funds on the market.

Under a recommendation submitted by the Securities and Exchange Council, an advisory body to the Ministry of Finance in June this year, the current minimum capitalisation requirements to go public of 10m shares, or Y500m, would be abolished. One point to be noted, in the recommendation, lies in the introduction of the "market - making dealers" system, copying the U.S. NASDAQ system, under which several securities houses may give nominal stock prices for shares, so as to encourage trading on OTC.

If a revision proposed in the council's plan comes into effect in November, promising smaller enterprises would be allowed to raise long term capital and diversify their means of borrowings.

About 2,000 of Japan's smaller companies are eligible to be listed on the OTC market, one official says. However, securities companies are cautioned against competition among themselves in OTC stock dealings.

Japanese banks are less active than their securities house rivals in the current venture capital boom, since their offshoots in the field in the first boom have had to battle hard. However, the country's City, or leading national banks, are moving to make up leeway. Such banks as Fuji Bank and Sanwa Bank have lately set up venture capital companies, and other banks are restructuring their existing companies.

Foreign financial institutions are also showing an interest and with an eye on the proposed start up of the reformed OTC market France's Compagnie Financier de Paris et Paris Bas launched in July a Hong Kong-based investment trust fund aimed exclusively at this sector in Japan. Baring Brothers of the UK in conjunction with Hamrecht Quist of the U.S. and Japan's Orient Leasing is to start a venture capital management company as from October, aimed at both Japanese and American high-technology companies.

This month THK, which specialises in manufacturing machinery and parts for industrial robots and machine tools, has been given the unusual boost of a private placement of SWFr 30m lead managed by Union Banque Swiss—the first time a leading Swiss bank has underwritten a deal of this size for such an unlisted Japanese company.

LEADING JAPANESE VENTURE CAPITAL COMPANIES
JUNE 30, 1983

	Set up	Affiliated to	Capital (Ym)	Investment total (Ybn)	Enterprises involved
Nippon Enterprise Development	1972	Long-term Credit Bank	900	2.5	90
Nihon Godo Finance	1973	Nomura Securities	1,000	12.6	76
Universal Finance	1973	Yamaichi	600	1.0	30
Central Capital	1974	Tokai Bank	600	1.0	30
Tokyo Venture Capital	1974	Dai-Ichi Kangyo Bank	600	1.8	70
Diamond Capital	1974	Mitsubishi Bank	500	3.0	85

UK COMPANY NEWS

BICC £16m lower but pick-up seen

AS FOREWARNED at the last AGM, pre-tax profits of BICC for the first half of 1983 fell well short of those for the corresponding period, in the event tumbling by *£16.3m to £33.7m.*

The directors, however, report that the second quarter showed a significant recovery over the low level of performance in the first three months, and they are expecting further improvement during the remainder of the year.

Midterm earnings are shown to have fallen from 10.5p to 6.9p, but the net interim dividend is being held at 3.5p. Last year's total payment was 10.54p from profits of £98.6m.

As regards the first half, which saw sales decline from £901.7m to £898.9m and a 30 per cent drop in operating profits to £39.2m, the directors say Balfour Beatty continued its marked improvement but the manufacturing businesses suffered setbacks.

Here, the problems are sighted as the deep economic recession in Australia, Canada and South *Africa and, in the early months,* intense price competition for BICC cables. Low demand for BICC Industrial Products in the U.S. also played its part.

Ashley Ashwood

Lord Pennock, chairman of BICC.

Against this, the directors say, in the last few months there has been some pick-up in orders for the group's manufacturing operations in Australia and the U.S., while, in the UK, cable prices have increased from the low level earlier this year. This, together with action taken to reduce costs and the continuing strong performance of Balfour Beatty, should lead to a second half improvement, the extent of which will depend largely on the rate of economic rceovery in the major territories where BICC operates.

Operating profits at the interim stage included a £3.7m profit (*£3.1m loss*) arising from fluctuations in value of copper in stocks of overseas companies. It was after depreciation of £17.8m (£16m) and £4.3m (£1.1m) of major reorganisation costs, including redundancy payments, but before finance charges of £5.5m (£6.4m).

Geographically, sales broke down as to: UK £334.9m (£321.6m), exports £140.1m (£135m) and overseas £423.9m (£445.1m), while on a divisional basis they are shown as: Balfour Beatty £317.5m (£265.4m), cables £231m (£255.2m), industrial products £87.8m (£90.6m), international £280.4m (£308.7m) and inter-group trading £17.8m (£18.4m).

An analysis of operating, pre-tax and attributable profits—£16.2m (£23.4m) before £2.9m (£3.4m) of ACT written off, preference dividends of £0.1m (same) and extraordinary debits of £7.5m (£1.5m) — discloses: Balfour Beatty £7m (£4.2m), £9.4m (£5.6m) and £6.4m (£3.9m); *cables* £9.5m (£14.9m), £5.3m (£10.2m) and £4.6m (£6.7m); industrial products £4m (£7.4m), £1.7m (£5.2m) and £0.4m (£3.6m); international £21.9m (£32.2m), £20.3m (£31.3m) and £6.3m (£10.2m); other income and expenses £3.2m (£2.3m), £3m (£2.3m) and £1.5m (£1m).

Tax took £15.3m (*£23.5m*) for net profits of £18.4m (£26.5m) and there were minority debits this time of £5.2m against £6.6m; the cost of the interim dividend taking a further £6.7m (same). The extraordinary charges made comprised a net loss on the closure of businesses and sales of, and provisions against, investments.

Estimated changes in sales volume between the comparable first halves are given as to: 4 per cent the group, with Balfour Beatty +9 per cent, cables −3 per cent, industrial products −4 per cent and *international* −17 per cent.

First half gross capital expenditure on property, plant and equipment totalled £24.8m (£32m).

See Lex

Croda higher midway but growth rate slows

DESPITE AN increase in first half profits Sir Frederick Wood, chairman of Croda International, *says the results do not show a* continuation of the progress made in the last two years.

At the pre-tax level profits rose from £6.62m to £7.02m after higher interest payable of £2.19m, against £1.87m. There was a surplus on disposal of properties of *£178,000* compared with £244,000.

In the six months to the end of June 1983, Croda Chemicals International produced excellent figures despite a setback in Australia. Profits of this major subsidiary, which includes most of the company's speciality chemical operations, increased by over 34 per cent to £4.25m (£3.17m).

Elsewhere, Croda World Traders were down on 1982 with £1.31m against £1.59m, but Croda Organic Chemicals turned a *£129,000 loss into a modest* £823,000 profit.

The major let-down was in Croda Polymers International with profits down from £1.99m to £636,000. While adhesives and graphic supplies did well, and *industrial paint and private* label soap were moderate performers, UK printing inks and Australian paint and inks produced poor results.

Australian operations overall regisetred a £1m turnround into the red with losses of £0.5m.

The interim dividend is maintained at 3p net per 10p share, with earnings stated as 3.46p (3.44p). Last year's total dividend was 7p with a 4p final from profits of £15.04m. Earnings were 7.92p.

Turnover for the first six months was £162.68m, against £150.85m, which breaks down to (*in £m*): Croda Chemicals International £46.9 (£41.8); Croda World Traders £50.8 (£47.4); Croda Organic Chemicals £24.4 (£22.8); Croda Polymers International £40.6 (£38.8).

Net profits emerged at *£3.71m* (£3.66m) after tax of £3.31m (£2.96m). Minority interests and preference dividends absorbed £55,000 (£33,000) and extraordinary items £317,000 (£400,000), leaving the attributable balance *at £3.34m (£3.23m).* Dividends took £3.18m (£3.17m) and the transfer to reserves was £164,000 (£61,000).

Looking to the latter stage of 1983 the company sees no change in the pattern of trading. The directors expect the divisions *that have shown improvement* to maintain that progress and those that have only recently shown deterioration to respond to corrective action.

The sale of the synthetic chemicals division is expected to be completed in early autumn.

● comment

Croda should produce the £16m profit it forecast during its defence against Burmah's abortive bid. The only thing wrong is that it will be coming a year behind schedule. Certainly the *group has no hope of achieving* the £18m target the market had set for it for 1983 as remedial action in Australia and UK inks will have little impact until 1984. Meantime Croda confirms that the sale of its synthetic *chemicals operation to Shell will* go ahead. The price will probably be around £15m. Yet the latest figures, showing a £0.95m turnround into profits from Croda Organic (largely the business to be sold) begs of the question of why chop a seemingly healthy division now? The rationale is apparently that synthetic chemicals are specialist rather than speciality and nearer to the heavier end of the chemicals spectrum. Therefore a highly cyclical business which Croda finds uncomfortable in its midst. Also, of course, a little extra cash will give it a bit more headroom on its dividend cover which is stretched thin having lumbered itself with a 7p a share dividend payout when fighting off Burmah. Indeed it is that 10 per cent yield at 101p which is the main prop for the *price but with a fairly unexciting* profits outlook it could be a long wait before Croda ups the payout again.

P & O sharply ahead at halftime

FIRST-HALF profits of Peninsular and Oriental Steam Navigation Company rose sharply and the directors are forecasting the full year's outcome will show a significant improvement over the £83.55m for 1982.

In line with predictions made in the last annual statement and reiterated in defence against the bid from Trafalgar House, pre-tax profits for the six months to June 30 1983 jumped from a restated £8.84m to £11.12m.

Having regard to the seasonal depression of the period, the directors now describe this as satisfactory, adding that the second half will be considerably better with most divisions *improving their results.*

Midterm earnings per £1 deferred share are shown to have advanced from 1.3p to 4.7p, while the net interim dividend is held at 4p, costing £5.69m and requiring a £348,000 (£1.8m) transfer from reserves.

*With gross revenue from out*side the group pushing ahead from £496.04m to £569.83m, operating profits registered a £3.29m gain at £24.17m. However, although a reduction in interest paid of £2.6m to £16.7m was *achieved this was more than offset* by a £3.61m decline to £3.65m in the contribution made by associates.

After tax of £4.32m (£5.89m), net profits came through £3.85m higher at £6.8m. But below the line there were charges of £122,000 (£1.08m) for minority *profits, £806,000 (£752,000 gain)* for exchange differences and £469,000 (£1.32m credit) for extraordinary items which cut the increase at the attributable level of £5.4m to £1.46m.

The extraordinary debits include some £1.4m of costs in *connection with the company's* defence against Trafalgar House, offset by credits arising from ship sales net of reorganisation costs.

The directors report that results of the deep sea cargo division, which saw pre-tax losses of subsidiaries rise from £0.6m to £3.6m and associate profits fall from £2.9m to £2m, were, as anticipated, poor. They reflected the continuing world shipping recession, but it is a measure of the success of the restructuring programme of the past few years that the deficit was absorbed by good results elsewhere in the group.

They say that ferries are holding their own, despite the adverse effects of the recently settled long running labour dispute in Hull, and although American cruising results have been unsatisfactory, because of the U.S. recession, an improvement is coming through.

P & O Australia, the 75 per cent owned subsidiary, as anticipated, suffered adversely from that country's drought and recession. Net profits fell from A$4m to A$850,000 and the interim dividend is being halved to 4 cents a share.

Nevertheless, against this Bovis and European transport performed strongly, while banking and investment property continued to make steady progress.

A breakdown of pre-tax results by division shows: ferries £4.3m (£4.2m) loss; deep sea cargo subsidiaries £3.6m (£0.6m) loss and associates £2m (£2.9m) profit; passenger £2.9m (£0.5m) loss; European transport £4.4m (£0.9m) profit; oil related £4.1m (£5.8m) profit; banking £3m (£2.3m) profit; agency services nil (£1.2m loss); Bovis £5m profit (£2.2m loss); property £3.1m (£2.7m) profit; Australia £0.3m loss (£3m profits); other overseas £1.9m (£1m) profit and head office expenses less other activities £1.3m (£1.1m).

See Lex

Zetters Group

Progress achieved by the *Zetters Group in the first half* was sustained in the second six months and profits before tax for the full year to March 31 1983 increased by 22.4 per cent to £1.31m.

The improvement was primarily attributable to economies in operating costs rather than the small increase in turnover from 12.64m to £12.81m, say the directors.

Their satisfaction with the year's results is reflected in a higher final dividend of 2.25p, which lifts the net total from 2.75p to 3.1p.

Tax took £713,000, against £566,000 to give higher earnings per share of 9.03p compared with 7.62p.

The group is engaged in the operation of football pools, bingo clubs and an hotel.

Yearlings total £15m

Yearling bonds totalled £15.25m at $10\frac{7}{16}$ per cent have been issued this week by the following local authorities.

Basingstoke and Deane BC £1.25m; Sedgemoor DC £0.25m; Southwark (London Borough of) £1.0m; West Lothian DC £0.25m; Pendle (Borough of) £0.25m; Bury Metropolitan BC £1.0m; Gateshead (Borough Council *of*) £0.5m; Lothian Regional Council £1.0m; Preseli DC £0.25m; Brighton BC £1.0m; Lambeth (London Borough of) £1.0m; Ealing (London Borough of) £1.0m; Hounslow (London Borough of) £0.5m; West Yorkshire Metropolitan CC £0.75m; Dudley Metropolitan BC £0.75m; Oldham Metropolitan BC £1.5m; Rother DC £0.5m; Tendring DC £0.5m; Cleethorpes BC £0.5m; *Cynon Valley (Borough of)* £0.5m; Wycombe DC £1.0m.

Sun Alliance trebled as underwriting losses fall

THE mild weather this past winter in the UK and Northern Europe greatly assisted the Sun Alliance Insurance Group in cutting its underwriting losses in the first half of 1983 by one-third from £49.9m to £33.9m.

This improvement, together with a 11 per cent advance in investment income from £56.4m to £62.8m, resulted in pre-tax profits jumping from £10.1m to £33m, over the period.

A significantly higher tax charge and higher minority interests trimmed the improvement in attributable profits which climbed from *£7.7m* to £20.1m. Earnings per share moved ahead from 15.6p to 40.8p.

The interim dividend is lifted by nearly 13 per cent from 19.5p to 22p.

The worldwide general insurance premium income increased by 16.5 per cent in sterling terms from £388.4m to £452.6m, the underlying increase allowing for differences in exchange rates being 10.6 per cent. The underlying improvement in investment income allowing for these exchange rate fluctuations was 6.7 per cent. The solvency margin at the end of June 1983 was 116 per cent.

Premium income in the UK, the group's main operating territory, showed a 17 per cent growth *from* £186.8m to £218.7m, with some of this improvement coming from a change in reinsurance arrangements. However, the underlying premium growth at 11.7 per cent outpaced inflation.

Underwriting losses in the UK and the Republic of Ireland dropped from £19.3m to £4.8m, the group, as the largest household insurer in the UK, benefitting greatly from the *better* weather this year compared with the severe weather at the beginning of 1982. The household account overall showed a break-even on underwriting, the profit on buildings being offset by higher losses on contents, due to the rising cost of theft claims.

The UK commercial fire account and the motor account both showed losses, and the group has its motor insurance rates under review.

Overseas, the group recorded good results in the U.S., where underwriting losses were cut from £8.6m to £3.9m and in Canada where losse fell from £4.3m to £1m. The bush fires in Australia in February cost *the group £3.6m* and resulted in losses rising from £3.8m to £5.8m. Losses in Europe were cut from £5.9m to £4.5m.

However, inwards reinsurance underwriting results have remained exceptionally poor and a further strengthening in claims reserves relating to earlier years was necessary. This sent losses on reinsurance climbing from £5.9m tı £12.5m.

The group reported a very good halfyear for lo ng term business with new annual premiums more than doubling from £11.9m to £29.5m and single premiums nearly doubling from £13.5m to £25.8m.

Sun Alliance benefitted from its strong building society connections in the growth in annual premium business. The change-over to MIRAS saw mortgage related business increasing four fold with annual premiums of over £14m against £2.5m in the first half of last year. Unit-linked single premiums doubled from £7.5m to £15m and accounted for much of the improvement. Annual and single premiums both benefitted from the success of the group's backt-o-back investment plan which took £3m over the period.

However, the group has not brought the full benefit of this improvement in new business into the shareholders' accounts, preferring to leave this until the year end. Thus shareholders' long-term profits rise from £3.2m to £3.7m.

See Lex

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
BICC ....int.	3.5	Jan 3	3.5	—	10.54
Bogod-Pelepah	0.2	—	0.05	0.3	0.05
Bogod-Pelepah 'A'	0.4	—	0.1	0.6	0.1
Bridon ....int.	1.2	Nov 10	1.2	—	3
Cement-Roadstone ...int.	1§	Oct 8	2.3	—	5.86
Croda ....int.	3	Dec 5	3	—	7
English & N. York int.	1	Oct 21	0.88*	—	2.18*
Framlington	3‡	Oct 19	—	3	—
Jebsens Drilling ...int.	3.5‡	Oct 27	7	—	17.5
Newbold & Burton int.	1.54	—	1.4	—	3.78
P and O ....int.	4	Jan 5	4	—	10
Phoenix Assurance int.	7.6	Jan 3	7.3	—	17.5
Royal Worcester ...int.	2.9	Nov 1	2.8	—	8.6
Sun Alliance ....int.	22	Jan 5	19.5	—	48
Zetters Group	2.25	Oct 28	1.9	3.1	2.75

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § In Irish currency.

Phoenix up 64% to £14m

A near two-thirds rise in pre-tax profits in the first six months of 1983 *from £8.7m to £14.3m* is reported by **Phoenix Assurance.**

Underwriting losses were trimmed by 7 per cent from £27.3m to £25.4m and investment income improved nearly 11 per cent from £33.4m to £37m. Profits from long-term business rose from £2.8m to £3.1m.

Net profits over the period doubled from £3.8m to £7.6m, after a near 50 per cent jump in the tax charge. The earnings per share rose from 6.2p to 12.4p.

The interim dividend is lifted *from 7.3p to 7.6p—an increase of* 4 per cent.

Worldwide general insurance premiums rose by 9 per cent in sterling terms from £235m to £257.2m, the underlying growth rate allowing for exchange rate fluctuations being 4 per cent. The underlying growth in investment income was 8 per cent. The solvency margin at the end of June was well in excess of 70 per cent.

Underwriting losses in the UK fell only marginally from £11.7m to £10.9m. The benefit of the less severe weather in 1983 compared with 1982 was substantially offset by the impact of rising theft losses and higher numbers of motor claims. Premium rate increases are being made by the company, but competition in the UK remains fierce.

Underwriting losses in the Republic of Ireland were slightly higher at £1.4m, and Phoenix is cutting back in certain unprofitable lines in that country.

In the U.S. the underwriting loss was approximately unchanged in dollar terms with an operating ratio of 113.6 per cent compared with 113.2 per cent in 1982. The company has completed its major programme of re-pricing and refining of its portfolio, but the benefits are not likely to show until next year.

Canada has produced an underwriting profit in the period, but Europe remains difficult *especially in Belgium and Spain.*

The worldwide long-term business showed steady growth in the first half of this year with new annual premiums climbing by one-quarter from £13.6m to £17m, and single premiums by one-third from £19m to £25.7m.

See Lex

Oxford Instruments

The Oxford Instruments Group, a private advanced technology group, increased turnover by 48 per cent to £26.15m and pre-tax profits by 38 per cent to £2.71m in the year to March 27, 1983.

The group, founded in 1959, is considering raising funds to finance its next phase of expansion, possibly by means of a full listing on the Stock Exchange.

UK COMPANY NEWS

Cement-Roadstone plunges midway: payout cut 1.3p

Cement - Roadstone Holdings returned profits of I£4.53m pre-tax for the first half of 1983, a drop of I£5.65m on the figures reported for the 28 weeks ended July 14 1982 and the interim dividend is being cut by 1.3p to 1p net per 25p share.

The directors warn that conditions in the home market remain depressed and that the results in Ireland will also reflect higher interest and depreciation charges than planned for the year due to earlier commissioning of the Limerick cement plant.

They add, however, that results from all the group's overseas operations continued to be good and this, combined with severe cost control, now gives them confidence that the profit budget of £5m made at the AGM last May will be achieved.

Group sales for the half year totalled £212.51m (£214.13m) and at the trading level profits fell from £13.27m to £7.7m — the group is Ireland's biggest industrial company with expanding overseas interests.

Pre-tax results included exceptional costs relating to Tegral's major new plant investment and were also after deducting £3.39m (£3.24m) for interest and £9.58m (£9.44m) for depreciation and adding a £217,000 (£150,000) share of associates' profits.

Tax accounted for £726,000 (£509,000), minorities added £455,000 (£183,000) and extraordinary credits amounted to £4.13m (£621,000), being profit on the net translation of foreign subsidiary and associated companies' accounts and foreign currency loans.

Attributable profits emerged at £8.36m, compared with £10.44m. Earnings are given as 2.34p (5.45p) per share. Pretax profits for the 1982 year totalled £15.51m and a final dividend of 3.56p was paid.

The directors say that in Ireland the recession has become deeper. Cement volumes are down 14.5 per cent while volumes of other materials on average have shown a somewhat similar decline except for agricultural limestone which increased *strongly*.

In England, Scotland, Holland and the U.S. all group operations produced very satisfactory improvements in profits.

Commissioning of the modernised Limerick cement operation is now well advanced and the plant will shortly be fully operational.

● comment

Half time figures from Cement-Roadstone are predictably grim. They could hardly be anything else given that C-R is bound virtually hand and foot to the Republic's economic fortunes. Of course it does have interests outside southern Ireland—in the UK, U.S. and Holland—and these should at least keep the group in *the black during the second half,* if only barely. Cement volumes have stabilised at around 15 per cent down year on year and the big importer, which has been a *small but painful thorn in C-R's* side, has withdrawn from the market. However, any benefits *there will be easily gobbled up* by higher depreciation and interest charges as the Limerick plant comes on stream this half year. Having started 1983 with borrowings of £119m C-R looks on line to finish with around £140m—close to 60 per cent of shareholders' funds. And the imposition of ACT is yet another burden on the group's already straining back. If profits come out a little over £5m as they should, shareholders can expect a payout cut to around 2p for a yield of 4½ per cent at 53½p. The profits recovery could be a long haul.

BOARD MEETINGS

The followniq companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims: Appleyard, Automotive Products, BWG, Bestobell, Britannia Arrow, Bunzl, William Collins, Cookson, Delta, Desoutter Brothers, Friedland Doggart, Gibbs and Dandy, Hepworth Ceramic, Portals, Prudential, Schroders, Sedgwick, Taverner Rutledge, Telfos, H. Woodward.

Finals: Matthew Clark, Estates Property Investment, Harmony Gold Mining, Stewart Plastics, Thorpac.

FUTURE DATES

Interims—	
Anglo American Invest. Trust	Oct 6
B.S.G. International	Oct 13
Carlton Industries	Sept 14
Cory (Horace)	Sept 16
Harris Queensway	Sept 29
Hyman (I. and J.)	Sept 13
Juliana's	Sept 20
Molynx	Sept 16
Petrocon	Sept 15
Quick (H. and J.)	Sept 12
Whatman Reeve Angel	Sept 22
Finals—	
Celtic Haven	Sept 13
Imry Property	Sept 13
Rivlin (I. D. and S.)	Sept 15
Sirdar	Sept 15
Staffordshire Potteries	Sept 14

Bridon gets boost from British Ropes

A SUBSTANTIAL contribution by its British Ropes subsidiary in the United Kingdom helped **Bridon** to improve its pre-tax profits from £3.32m to £5.43m in the six months to June 30 1983. Turnover of the group, which has interests in wire, wire rope, fibres, plastics and engineering, was down from £137.82m to £134.66m.

Bridon and its subsidiaries saw its contribution down from £83.26m to £80.86m, and associates' share was lower at £53.81m compared with £54.56m.

Mr Jack Laird, the chairman, says that apart from British Ropes' figures, further progress has also been made towards an acceptable level of return in the fibres and plastics operations. Both associate companies, TWIL and the Templeborough Rolling *Mills, performed well.*

Overseas, the results from the group's major wire and wire rope investments in the U.S. and Canada have so far remained *depressed, reflecting the recessionary conditions which have prevailed, particularly in its more important market sectors.*

The Mexican associate has achieved significant recovery, but increasingly competitive market conditions have prevailed in Europe. The general recessionary situation in Australia and New Zealand has marginally reduced profits for the first half.

Mr Laird says the level of UK profit in the second half will reflect the absence of the completion of major contracts by British Ropes earlier this year, and the adverse seasonal influence of agricultural twine sales on Bridon fibres and plastics results.

Nevertheless, for the year as a whole, he expects to achieve improved UK results

Overall, he says that although results for the second half are unlikely to match those achieved in the six months to June 30, he believes that the results for the whole year will justify confidence in the upward longer-term trend of performance.

First half pre-tax profits were struck after interest payable less receivable totalling £1.24m (£1.83m), and included share of profits after interest of associated companies, £2.83m (£974,000).

Tax was higher at £2.86m (£1.58m), and after minority credits of £641,000 (£70,000 debits), attributable profits were up from £767,000 to £3.21m—the comparative figure included an extraordinary debit of £905,000.

Stated earnings per share rose from 3.07p to 5.89p, and the interim dividend is unchanged at 1.2p net—last year's total was 3p from pre-tax profits of £5.07m.

● comment

The pick up in **Bridon**'s profits for the first half was well anticipated. However the pattern of profitability in recent years has changed—no longer does the group rely so heavily on its overseas associates and subsidiaries. Instead the figures this half were boosted by the UK wire/rope side with the improvement coming on *the back of a rationalisation* programme and a large, one-off, order from Exxon. Overseas the results are patchy. The Mexican associate has picked up after last year's collapse of the economy and for the full year the profits could be pushed up by exchange rate gains. However the U.S. and Canadian associates suffered from depressed conditions in their respective markets with no particular upturn in the second half likely. The seasonal patern of profits is weighted towards the first half and estimates for the full year profits of £8.6m pre-tax seem appropriate. The shares *closed* 2p up yesterday at 64p *giving a prospective p/e ratio* of about 8 on a full tax charge.

Jebsens sees second half slide

First half pre-tax profits of USM company **Jebsens Drilling** rose by £1m to £11.4m, but the net interim dividend is halved to 3.5p, and the directors expect significantly lower results for for the second six months than those now reported.

During the period to June 30 1983, the company, owner and contractor of offshore drilling units, maintained the previous year's performance. However, the directors say that employment opportunities will be scarce for the remainder of the year.

As expected, operating profit for the first half was £13.4m, against £12.3m, while finance costs dropped from £4.8m to £3.2m as a result of lower levels of debt and lower dollar interest rates. Revenue increased by £5m to £32.5m.

Profit attributable to shareholders emerged at £5.4m, compared with £5.7m, after higher tax of £4.9m (£3m) and minority interests of £1.1m (£1.7m). Earnings per 25p share are given as 33.8p (35.6p).

The directors say the outlook for 1984 is "reasonably encouraging" with the taxation and royalty changes in the UK helping to increase activity in the UK sector of the North Sea. Also the drilling requirements on the recently-awarded deep water tracts in the Gulf of Mexico are expected to create a shortage of semi-submersibles in that area.

● comment

Prior to yesterday's results announcement **Jebsens Drilling** shares were looking at a yield of over 14 per cent. Clearly some cut in the payout was expected but the halving of the interim was a little surprising so the shares shed 14p to 168p. The problem for Jebsens is that with drilling rig Sinbad now out of work and Ali Baba coming off charter in about 50 nights, future cash flow is becoming less easy to forecast. Moreover Jebsens's year end capital gearing ratio is likely to be of the order of 170 per cent, though the company has adequate funds to meet its debt servicing commitments. Activity in the North Sea is picking up, and the company seems to have high hopes of future work in the Gulf of Mexico, but it may well be the second half of 1984 before day rates show a major advance. On the assumption that the final dividend is also halved the shares are now yielding 7.6 per cent.

Holders asked to oust Goldstone

MR PETER FROST, chairman of **Ward and Goldstone**, the wire and electrical accessories company, yesterday sent a letter to shareholders outlining the company's case for attempting to remove former managing director, Mr Michael Goldstone, from the board.

A resolution is to be put at the AGM on September 14 formally requesting the removal of Mr Goldstone as an executive director.

Mr Goldstone was dismissed as managing director last month for refusing to implement the board's decision to close the cable division. Last week he sent a letter to the shareholders appealing for them to oppose his removal.

In his letter yesterday, Mr Frost said that the board's decision to close the cable division had been unanimous, Mr Goldstone excepted.

In the last three full years of trading the cable division had incurred losses of around £3m. In the first four months of 1983 a further loss of £1m had been incurred, he said. Mr Frost claimed that Mr Goldstone had initially agreed to the division's closure but that subsequently he changed his mind and refused to implement the decision.

Mr Frost said that the board could not accept a situation where one director "expects to exercise a right of veto on any matter."

Mr Frost went on to deny the *accusation made in Mr Goldstone's* letter that the company was close to exceeding its borrowing limit. "We continue to have the support of our bankers," he said.

Mr Frost ended his letter with the statement that in view of Mr Goldstone's current actions his continued presence on the board "will not be of benefit to the company or its stockholders."

Yesterday the district secretary of the AUEW in Manchester said "having read Mr Michael Goldstone's letter to stockholders, the local union are prepared to give their support to the alternative proposals (put forward by Mr Goldstone) to save the cable division."

The union said that if the cable division was closed it could mean that the unions would get into a dispute with the whole Ward and Goldstone group.

Thames TV sinks £10.8m into Channel 4

THE "ENORMOUS" cost of sustaining television's Channel 4 is the main theme of **Thames Television's** *chairman,* Mr Hugh Dundas, in his annual statement. He says that in the year to March 31 1983, Thames, in common with all other independent television companies, had to pay out many millions of pounds to sustain Channel 4—an enterprise over the conduct of which it had no control whatsoever.

Thames' contribution to the operation, net of revenue received from it, largely offset *the profits arising from its* principal business function and responsibility of providing television programmes in the Greater London area and to the Independent Television Network.

Mr Dundas says Thames' cash contribution between April 1 1982 and March 31 1983 was £10.84m. He says that could have been £16.5m but for the fact that the Independent Television Authority had agreed that half the industry's contribution of £98m during 1982 should be in the form of a loan, repayable over a four-year period beginning on January 1 next year.

On top of this contribution to Channel 4, the cost to Thames of the IBA rental during the year increased from £5.73m to £8.57m, of which £3.1m was attributable to Channel 4. Mr Dundas adds: "Nor is that the end of the matter; the costs to Thames of enlarging its sales department to cater for the selling of advertising time for Channel 4 in our area, together with our costs in providing transmitting services, were also substantial."

Against these enormou outgoings, he continues, the company was able to get revenue for advertising on Channel 4 of approximately £1.5m. It also got relief from levy, but it "is a dangerous myth" to believe the suggestion that this relief effectively covers its Channel 4 costs.

He wants Channel 4 to succeed, and Thames wants to be involved in making it succeed, but he says it is the board's view that if it is to do so, there will have to be some radical changes in its modus operandi and control.

Newbold & Burton progresses

The improved trend at **Newbold and Burton Holdings** in the second six months of 1982 continued though the opening half of the current year when the group returned pre-tax profits of £216,000. Losses of £74,000 were incurred for the same period last year but profits of £118,000 were reported for the full 12 months.

While full order books were maintained during the period under review, production was somewhat restricted in the latter stages due to unavailability of materials, particularly leather—the group manufactures ladies' footwear.

The directors say the situation has now been corrected and they look forward to a continuation of the improvement for the rest of the year.

The net interim dividend is being stepped up from 1.4p to 1.54p from earnings of 2.5p (loss 0.8p) per 25p share.

DRG (New Zealand) setback

A fall from NZ$1.4m to NZ$630,000 in pre-tax profits is reported by **DRG (New Zealand)** for the six months to June 30 1983. Group turnover to third parties was slightly lower at $15.67m compared with $15.94m.

Sir John Marshall, the chairman, said at the annual meeting *that the destocking programme* by its customers appeared to have run its course, and at the time of that statement, he was hopeful of an early improvement in the general level of business activity.

In the event, this did not occur, he says in his interim report, and all indications are that what little improvement can now be anticipated will not take effect until later in the second half.

He says the combination of a depressed market, the necessity to absorb cost increases because of the price freeze — its stock *prices were last increased in* February 1982—and competitive pressure on selling prices, would have resulted in a further erosion of profits had it not moved quickly to reduce costs. The staff has been reduced by 55.

Bogod-Pelepah

On turnover up from £7.05m to £7.73m pre-tax profits of **Bogod-Pelepah** *rose from* £8,698 to £247,944 in the year to March 31 1983. This represents an improvement from £5,700 to £208,000 in the second six months.

For the year earnings per ordinary share are stated at 1.73p (0.07p), while those on the "A" ordinary are given as 3.46p (0.14p). The dividend totals are lifted from 0.05p to 0.3p and from 0.1p to 0.6p with final payments of 0.2p and 0.4p net respectively.

Profits were struck after depreciation of £154,027 (£142,950) and interest paid of £58,385 (£69,166). They were before tax of £63,561 (£1,272).

Public Works Loan Board rates

Effective September 7

Years	Quota loans repaid by EIP†	Quota loans repaid A‡	Quota loans repaid at maturity§	Non-quota loans A* repaid by EIP†	Non-quota loans A* repaid A‡	Non-quota loans A* repaid at maturity§
Up to 3	11	11¼	11⅝	12¼	12⅜	12⅝
Over 3, up to 4	11⅜	11⅝	11¾	12½	12½	12⅝
Over 4, up to 5	11½	11⅝	11¾	12½	12⅝	12⅝
Over 5, up to 6	11⅝	11¾	11⅞	12½	12⅝	12⅝
Over 6, up to 7	11¾	11⅞	12¼	12⅝	12⅝	12⅝
Over 7, up to 8	11⅞	11⅞	12¼	12½	12⅝	12⅝
Over 8, up to 9	11⅞	12	12	12⅝	12⅝	12⅝
Over 9, up to 10	12	12¼	11⅞	12½	12⅝	12⅝
Over 10, up to 15	12¼	11⅞	11⅞	12⅝	12⅜	11⅞
Over 15, up to 25	11¼	11¼	11⅜	12	11¾	11⅝
Over 25	11¼	11	11	11¾	11¼	11¼

* Non-quota loans B are 1 per cent higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

BIDS AND DEALS

Management take-over plans put to FMC

BY DAVID DODWELL

PLANS for a management take-over of FMC, Britain's largest slaughterhouse group, have been tabled before FMC and its bankers, the buy-out team's advisors revealed yesterday.

At the same time, FMC yesterday reported a return to profit of £800,000 at the pre-tax level for 1982/83 compared with losses of £1.66m.

A spokesman at Candover, the management buy-out specialists who have been advising five of FMC's senior executives, said a scheme had been drafted which involved "injection of substantial new capital into the company." He said the buy-out team had won "interest in principle from identifiable backers" for the scheme.

He added that the buy-out team, headed by Mr George Morley, FMC regional director for the Midlands and Wales, did not intend to have detailed talks with backers until they had received a response from FMC.

The management buy-out proposals come in the wake of the failure by FMC to win fresh funding from British farmers through a share issue aimed at raising between £7m and £10m.

Fresh funding is needed because the company's main shareholder—the National Farmers' Union Development Trust, which owns 75 per cent of its shares—faces increasing pressure to repay a £3.5m loan to Barclays Bank.

The Development Trust borrowed an initial £2.8m from Barclays in 1977 to boost its stake from 40 per cent to fight off a £12.5m bid from Thomas Borthwick. It expected to repay interest on the loan out of dividends paid on its shares. However, FMC has for the past three years failed to pay dividends because of trading difficulties, and the loan is currently growing at a rate of about £1,000 a day.

The company has in recent months been keen to attract suitors able to provide an acceptable solution to its financial problems. These efforts have been redoubled since the failure of their share issue, which was intended to keep FMC in farmers' hands and to raise new investment capital.

A number of suitors have been mentioned, but none has yet moved in from the wings. It is understood that the only *firm proposals so far received* are those from Mr Morley and the management buy-out team.

In a report with the results for the year to end-April 1983, the directors of FMC said that all sectors of the group contributed to the recovery.

Profits for the second six months totalled £1.22m (the group was £416,000 in the red at the interim stage), a swing of £3.07m on the £1.86m deficit reported for the same period last year.

The directors say the group is now trading profitably and results are better than at this stage in the last financial year despite the abnormal weather conditions in the first four months.

They add that while the autumn of 1982 was not as profitable as in earlier years the results for the period January to April 1983, were "exceptionally good."

It is pointed out that FMC, a subsidiary of the NFU Development Trust, moved back into profit without the aid of Government subsidies or contributions from the Irish plant which have been significant factors in previous years.

The group's reserves have been maintained and the reorganisation of recent years is now beginning to bring its reward, the directors state.

Bank borrowings at year-end again showed a reduction, and at £10.4m represented only 50 per cent of the group's present borrowing facilities.

The directors say that the group remains too highly geared and in the circumstances they do not recommend the payment of a dividend—the last dividend was 2p for the 1980-81 years.

Group turnover for the year under review dropped from £460.54m to £416.99m and at the trading level profits totalled *£2.9m (£143,000). Pre-tax figures* included fixed asset sale profits of £139,000 (£1.12m) and associates' share of profits £138,000 (£84,000 loss). Interest charges took £2.38m (£2.84m).

Earnings emerged at 4.22p (20.03p losses) after tax of £157,000 (£136,000) but before extraordinary debits of £376,000 (£3.82m). Minorities accounted for £9,000 (added £2,000).

The Irish meat plants presented particular problems over the year. These have been a major source of profit for many years but they were closed temporarily in 1982-83. Newry has now re-opened and Sallins is due to re-open in two weeks' time to take advantage of the forecast increase in cattle supplies in both the Republic and the Province.

The group's most modern meat packaging plant at Perth is still in its second year of full operation. It is not expected to contribute a net profit in 1983-84, but throughout it is now approaching maximum capacity.

The processing plants at Ipswich and Flitwick are not yet profitable but are the subject of intensive management care and results are expected to show a "significant improvement" in 1983-84.

Murray Pipework changes hands

Murray International Holdings, the privately-owned steel stockholder which supplies the offshore oil and gas industry and other energy-related service industries, has agreed to acquire a 51 per cent stake in Murray Pipework — the loss-making subsidiary of Hewden Stuart Plant —for a nominal sum understood to be about £5,000.

Hewden Stuart, engaged in plant hire, has in recent years carried losses reaching £200,000 from Murray Pipework, the Glasgow-based pipe fabrication *and erection company* whose name is only coincidentally similar to that of Murray International.

Hewden Stuart will retain the remaining 49 per cent of the company's shares.

Murray International is confident that it can return Murray Pipework to profits, where Hewden could not, because of the substantial contracts it has to supply pipework to companies involved in energy-related services.

Murray International remains privately owned, though David Murray, chairman, earlier this *year placed 10 per cent of* the company's shares with five Scottish institutions for £1.5m. In the year to July 31 1982, the company reported pre-tax profits of £1.8m on a turnover of £20m.

PHILIPS CUTS CEI STAKE

Philips Electronic and Associated Industries has sold 3.26m shares in **Cambridge Electronic Industries** (CEI) at 255p per share, reducing its interest in the company from 26 per cent to 17 per cent. It is Philips' intention to retain this interest for the "foreseeable future." The shares were placed with a *number of institutional investors.*

Philips Electronic is a subsidiary of the Dutch Philips Gloelampenfabrieken group.

BCA now has 25% of Lotus

BY DAVID DODWELL

MR DAVID WICKINS, who as chairman of British Car Auctions two weeks ago headed the £6.69m refinancing of Group Lotus, the Norfolk-based car maker, revealed yesterday that BCA holds a 25.05 per cent stake in the company following a rights issue.

On announcing the refinancing plans in mid-August, Mr Wickins said BCA would acquire 3m new shares in Lotus at 40p a share, and will guarantee a £2m credit line. At the same time, Toyota of Japan agreed to buy 2.9m shares, giving it a 16.9 per cent holding. A rights issue was announced at the same time, intended to raise a further £2.33m.

After taking up his rights, Mr Wickins will be the biggest single shareholder in Lotus. A further major shareholder emerged yesterday when Coleman Milne, a subsidiary of Mr Michael Ashcroft's Hawley Group, revealed what it had bought a 14 per cent stake in the company at an aggregate cost of £1.15m. The deal will be financed initially by cash borrowings, and then refinanced through a rights issue intended to raise about £1.2m.

On the Stock Exchange yesterday, Lotus' shares remained unchanged at 56p. In December last year, they reached a low point of 14p immediately after the death of Mr Colin Chapman, the former Lotus chairman.

At an extraordinary meeting on August 15, shareholders appointed to the board a representative of Toyota. Mr Fred Bushell, Mr Chapman's successor, is understood to have an *uncertain future as chairman*, but further changes in board structure have yet to be revealed.

Toyota and BCA have confirmed that they are committed to launch a new sports car, the M90, in 1985. The project is likely to cost between £7m and £9m. Lotus recently revealed pre-tax profits for the first half of this year of £109,000. this compares with a loss of almost £290,000 in the comparable period of 1982.

See Men and Matters

ASSOC. TOOLING

Associated Tooling has completed the acquisition of North Wales Trust and Chadwick Investments.

The agreement with Consult International (a company controlled by Mr R. A. Shuck) and the other vendors has become unconditional.

Accordingly, 1.48m ordinary shares have been allotted to the vendors. The cash consideration *of £640,000 has been satisfied and* the name of the company changed to Associated Telecommunications.

Crafton, a company controlled by the family trust of Mr A. G. Pratt, has completed the purchase of Wellvil Engineering and Groveley Engineering.

Associated Toolings' directors *and secretary have resigned and* Mr Shuck, Mr H. J. Van Eck, Mr T. W. B. Homer, Mr R. B. Oakes and Mr N. G. McRoberts have been appointed to the board. Mr Shuck has been appointed chairman.

CHARTERHOUSE PET.

Charterhouse Petroleum's offer to acquire all the outstanding share capital of **Jubilee Oil** not already owned has been fully accepted in respect of all thee shares subject to the offer.

PORTALS U.S. DEAL

***Portals Holdings** has completed* the purchase of the LA Water Treatment Corporation of Los Angeles through its U.S. subsidiary, Portals Water Treatment. Net assets acquired amount to some $4m.

SECURICOR

Security Services, the listed subsidiary of Securicor Group, has acquired **Robophone**, a telephone communications company, from Extel Group for £180,000 cash.

SHARE STAKES

Asset Special Situations—Alco Western Investments has acquired further ordinary bringing their total holding to 1.325m shares, representing 13.25 per cent.

Atkins Bros (Hosiery)—Seaforth Invest now hold 380,000 ordinary shares (11.88 per cent).

Bisichi Tin—Jantar now holds 1,379,500 shares equal to 21.12 per cent.

Channel Islands and International Investments—Czarnikow Group has disposed of its 200,000 capital shares. This holding represented 10 per cent.

Henderson Admin Group—Witan Investment now holds 3.86m ordinary shares (37.31 per cent) and Electric and General Investment hold 1,416,220 (13.69 per cent).

William Whittingham—Comben Group has purchased 90,000 ordinary shares.

MINING NEWS

Winkelhaak features in good Gencor dividends

BY KENNETH MARSTON, MINING EDITOR

THE South African gold producers in the Gencor group have sprung some pleasant surprises with final dividends which, for the most part, are well ahead of sharemarket expectations. The payments are for the current financial year to the end of this month.

Winkelhaak shows up particularly well with a final dividend of 225 cents (133p) which makes a total for the year of 411 cents against 313 cents for 1981-82. Earlier this year the mine completed its increase in milling capacity of 25,000 tonnes to *200,000* tonnes per month.

Also good is the payment of 109 cents from Kinross (one estimate was of only 65 cents) which makes a total for the year of 187 cents against 127 cents. Here again, milling capacity has been raised—to 165,000 tonnes per month—and there has been an improvement in the gold recovery grade.

Unisel's latest final of 62 cents makes a year's total of 112 cents against 90 cents. Of the short-life prospect members, Bracken is paying 37 cents to make a year's total of 64 cents against 41 cents, while Leslie's final of 30 cents makes 59 cents against 35 cents.

A cautionary note is that if dividends of these levels are to be maintained for the 12 months to September 1984 the mines will require an average gold price of comfotably above the current level of $413 per oz. In the first nine months of the year to the end of this month the U.S. price averaged about $440, while the *South African price* received by the mines averaged around R485 per oz.

The latest payments are compared in the following table.

	1983 Sept cents final	1983 March cents interim	1982 Sept cents final	1982 March cents interim
Bracken ...	37	27	27	14
Kinross ...	109	78	66	62
Leslie	30	29	23	12
Unisel	62	50	45	45
Winkelhaak..	225	186	155	158

Western Mining discovers new copper deposit at Marble Bar

AUSTRALIA'S **Western Mining** —noted for its good exploration track record—may have found a new copper mine at its Nifty prospect in the Throssell Ranges, some 200 kilometres east-south-east of Marble Bar in Western Australia. *Drilling has cut both* secondary and primary copper mineralisation.

Limited percussion drilling has indicated secondary mineralisations, amenable to open-cut mining, over an area 1,300 metres long by 100m to 300m wide at depths from 30m to 50m.

A *drilling programme is to* be started to determine the tonnage and grade of the deposit but, significantly, Western Mining adds that on present indications "the average grade should be in the economic range."

As far as the primary mineralisation is concerned the company *says, cautiously, that this will* require a great deal more drilling to evaluate. Initial drill results reported show encouraging values.

The best values have come from hole TND 9 which cut 11.4m of mineralisation from a vertical depth of 338.6m to 350m and gave an average copper value of 10 per cent. *This included an* even higher grade length of 6.7m from 338.6m which assayed 15.8 per cent copper.

These values, however, were exceptional in relation to those obtained from the other shallower holes where, for the most part, shorter lengths of mineralisation were cut with assay values of under 2 per cent.

Another pointer that values improve at depth was the result *from hole TND 10 which hit* 17.9m of mineralisation from 407.9m, assaying 4 per cent copper. *This* included a 12.4m stretch which returned 4.8 per cent.

Interestingly, Western Mining says that a number of other prospects have been defined within the exploration area held or applied for totalling 250 sq km. Only limited work has been carried out on these.

The latest news had little impact on the price of Western Mining shares in London yesterday which closed slightly easier at 280p in a generally subdued market.

Pancontinental lifts Robe bid

IN THE Australian battle for the **Robe River** iron ore holding company **Pancontinental Mining** has returned to the fray with a new bid of A$2.50 (146p) per share for Robe River.

Furthermore, the increased offer will be declared unconditional as soon as there are sufficient acceptances to lift Pancontinental's existing holding from 9.52 per cent to over 50 per cent. The latest bid values Robe River at A$107.5m.

Robe River shareholders who have already accepted Pancontinental's initial bid of A$2 per share will receive the increased offer price.

Pancontinental's original bid was surpassed by a counter-offer of A$2.40 from **Peko-Wallsend**. Pancontinental said that it would not accept this offer for its own holding of Robe River.

Peko then decided that if it received acceptances only in the 50 per cent to 90 per cent range it would pay only A$2.30. The full price would be paid in the event that the offer became unconditional with acceptances of over 90 per cent.

Freshbake to join USM

BY DOMINIC LAWSON

Freshbake Foods Group, which claims to be Britain's fastest growing frozen foods group, is seeking a quote on the Unlisted Securities Market, it was disclosed yesterday. The company has three operating subsidiaries engaged in the manufacture, processing, and distribution of frozen foods. Customers include Associated British Foods, Asda, Bejam and J. Sainsbury.

The company was formed in 1933 and gained a full listing in 1948. In 1973, control of the company was acquired by Thomas Borthwick for £3.1m, and in 1981 Freshbake was acquired by its chairman, Mr John Taylor.

In the year to September 1982 Freshbake made profits of £589,000, pre-tax, on turnover of over £19m. It is believed that the directors will forecast pre-tax profits for the year ending March 31 1984 of around £1.45m.

It is thought that Freshbake will be capitalised at around £13m at the placing price. Brokers to the issue will be Paul E. Schweder Miller.

Economic Forestry raising £0.58m

Economic Forestry Group is raising £580,000 after expenses by way of a 1-for-3 rights issue at 130p per share. The company accompanied the announcement *with a forecast of record pre-tax* profits for the year to end September of over £750,000. An interim dividend of 5p (3p) will be payable on October 3 and, subject to the profit forecast, a final dividend of 8p is proposed.

Royal Worcester

Royal Worcester, manufacturer of china products and electronic components, returned pre-tax profits of £404,000 for the six months ended July 2 1983. These compare with losses of £334,000 for the same period last year and profits of £1.62m in the second half.

Earnings amounted to 4p (4p losses) per 25p share after tax of £140,000 (£70,000 credit) and the net interim dividend is held at 2.9p—a final of 5.7p was paid previously.

Sales for the half year totalled £25.52m (£21.95m) and operating profits amounted to £878,000 (£253,000) before deductions of £169,000 (£161,000) for central *expenses and £305,000 (£426,000)* for interest.

Robinson Brothers

Pre-tax profits of organic chemical manufacturer **Robinson Brothers (Ryders Green)** totalled £798,000 for the 26 weeks to July 7 1983, a sharp improvement over the £19,000 returned for the same period last year and a swing of nearly £1m on the £153,000 deficit incurred in the second six months.

Mr F. D. Robinson, the chairman, says the substantial improvement in the results was entirely attributable to better trading and the group's continual search for new products which bore fruit.

He warns that the group is experiencing sharp fluctuations in demand and says it is clear that the second half will be less profitable than the first.

Turnover for the opening half amounted to £8.35m (£6.03m). The tax charge rose from £40,000 to £190,000 to leave net profits at £608,000 (£21,000 loss).

Framlington

Better than forecast results have been returned for the 53 weeks to June 30 1983 by **Framlington Group**, the unit trust and offshore fund manager which came to the USM earlier this year.

In its May prospectus the company was looking for pre-tax profits of £1.1m and earnings per share of 28.7m. However, in the event these expanded from £451,000 to £1.36m and from 12.42p to 36.83p respectively. As projected, the dividend distribution is to be 3p net, costing £60,000 (£26,000).

The directors report that profits from sales of units were higher than anticipated, as was the contribution from Framlington Overseas Fund Management.

Total sales for the period under review climbed sharply from £20.71m to £43.42m, while those for the current year are continuing at a high level, the directors state. Funds under management at August 31 were £176m (£84m).

Gross profit in 1982-83 amounted to £1.89m (£709,000) and management charges received added a further £584,000 (£307,000). The after tax surplus is given at £676,000 (£226,000), with that retained being £586,000 (£171,000).

English & New York

Revenue of the **English and New York Trust** increased from £1.8m to £2.25m in the six months to June 30 1983. The interim dividend is effectively raised from 0.875p to 1p.

The revenue increase was mainly accounted for by a rise in investment income from £1.73m to £2.23m, other income was lower at £18,000 against £62,000.

After management and administration expenses £126,000 (£98,000) and loan interest *£390,000 (£158,000)* the pre-tax result emerged slightly more than doubled at £516,000 (£256,000). Tax absorbs £714,000 (£591,000).

Net assets attributable to ordinary shareholders as at June 30 are given as £83.48m (104.1p), December 31 1982 £66.16m (82.5p adjusted) and June 30 1982 £50.5m (63.1p adjusted).

Isis Industrial

Isis Industrial Services, the subject of a management buy-out from United Dominions Trust in January 1982, pushed its pre-tax profits up to £948,000 for the year to March 31, 1983, an improvement of 48 per cent over the *£641,000 returned in 1982.*

Turnover rose by 28 per cent to £31.23m and the directors say the group has entered the current year in a much better shape than in 1982 with all businesses trading satisfactorily.

The company's shares are traded on the OTC market made by Granville & Co.

BASE LENDING RATES

A.B.N. Bank	9½%	■ Hambros Bank	9½%
Al Baraka International	9½%	Heritable & Gen. Trust	9½%
Allied Irish Bank	9½%	■ Hill Samuel ....§	9½%
Amro Bank	9½%	C. Hoare & Co. ....†	9½%
Henry Ansbacher	9½%	Hongkong & Shanghai	9½%
Arbuthnot Latham ...	9½%	Kingsnorth Trust Ltd.	11 %
Armco Trust Ltd.	9½%	Knowsley & Co. Ltd. ...	10 %
Associates Cap. Corp.	9½%	Lloyds Bank	9½%
Banco de Bilbao	9½%	Mallinhall Limited ...	9½%
Bank Hapoalim BM ...	9½%	Edward Manson & Co.	10½%
BCCI	9½%	Midland Bank	9½%
Bank of Ireland	9½%	■ Morgan Grenfell	9½%
Bank Leumi (UK) plc	9½%	National Bk. of Kuwait	9½%
Bank of Cyprus	9½%	National Girobank ...	9½%
Bank of Scotland ......Ω	9½%	National Westminster	9½%
Banque Belge Ltd. ...	9½%	Norwich Gen. Tst.	9½%
Banque du Rhone	10½%	P. S. Refson & Co. ...	9½%
Barclays Bank	9½%	Roxburghe Guarantee	10 %
Beneficial Trust Ltd....	10½%	Royal Trust Co. Canada	9½%
Bremar Holdings Ltd.	9½%	Standard Chartered ...‖	9½%
Brit. Bank of Mid. East	9½%	Trade Dev. Bank	9½%
■ Brown Shipley	10 %	TCB	9½%
CL Bank Nederland ...	9½%	Trustee Savings Bank	9½%
Canada Perm't Trust	10½%	United Bank of Kuwait	9½%
Castle Court Trust Ltd.	10 %	United Mizrahi Bank...	9½%
Cayzer Ltd.	9½%	Volkskas Intnl. Ltd. ...	9½%
Cedar Holdings	10 %	*Westpac Banking Corp.*	9½%
■ Charterhouse Japhet...	9½%	Whiteaway Laidlaw ...	10 %
Choulartons	10½%	Williams & Glyn's ...	9½%
Citibank Savings ......¶	10½%	Wintrust Secs. Ltd. ...	9½%
Clydesdale Bank	9½%	Yorkshire Bank	9½%
C. E. Coates	10 %		
Comm. Bk. of N. East	9½%		
Consolidated Credits...	9½%		
Co-operative Bank ......*	9½%		
The Cyprus Popular Bk.	9½%		
Duncan Lawrie	9½%		
E. T. Trust	10 %		
Exeter Trust Ltd.	10½%		
First Nat. Fin. Corp.	11½%		
First Nat. Secs. Ltd.	11½%		
Robert Fraser	10 %		
Grindlays Bank ....‡	9½%		
■ Guinness Mahon	9½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 6%, 1-month 6.25%. Short-term £8,000/12-months 8.6%.
† 7-day deposits on sums of: under £10,000 6%, £10,000 up to £50,000 7%, £50,000 and over 8%.
‡ Call deposits £1,000 and over 6%.
‖ 21-day deposits over £7,000 7%.
§ Demand deposits 6%.
¶ Mortgage base rate.
Ω Money Market Cheque Account—9.09%. Effective annual rate—9.48%.

Accountancy Appointments

Interested in Tax and Computers?

STAR

Project Manager

c.£15,000+benefits

City

STAR Computers plc is the market leader in the provision of mini-computer systems to Chartered Accountants. Growth and profitability have been consistently good since the company's formation in 1973 and new products combined with diversification ensure that this will continue. Known for its commitment to its user base of some 700 firms, STAR continually develops new software to meet their changing needs.

Personal Taxation and Trust Accounting are the major current projects and this newly created position carries the responsibility to consolidate the development and bring them to successful completion. Thereafter the requirement is to control sales and technical support and to direct future developments into C.T.T. and Corporation Tax.

For this creative and analytical role candidates must be able to demonstrate flair as well as technical ability. A high level of interface with client firms calls for an individual with well-developed communication skills. Applicants should have had extensive exposure to Personal Taxation work in a professional environment. Training and/or computer experience would be advantageous.

Please reply in confidence giving concise career and personal details and quoting Ref. ER636/FT to J.J. Cutmore, Executive Selection.

Arthur Young McClelland Moores & Co., Management Consultants, Rolls House, 7 Rolls Buildings, Fetter Lane, London EC4A 1NH.

Arthur Young McClelland Moores & Co.

A MEMBER OF AMSA IN EUROPE AND ARTHUR YOUNG INTERNATIONAL

Financial Director

For an independent group with a national reputation for quality, service and technical innovation in building and civil engineering projects.

Working closely with the Chairman, the financial director will be responsible for the organisation and management of the group's finances and related functions to support the implementation of new business strategies. This will entail maintaining tight financial control, advising on commercial risks and enhancing information systems, with special emphasis on cost and project management.

The requirement is for a qualified accountant, with experience of capital projects and a practical understanding of advanced computer systems, coupled with the stature to make a major contribution to the development of the business. Age: around 40.

Remuneration: around £27,500 plus car and benefits.
Location: North London.

Please write in confidence to CT Garcia (Ref 246).

TMcL KMG

Thomson McLintock Associates 70 Finsbury Pavement London EC2A 1SX

ACCOUNTANCY APPOINTMENTS

Appear every Thursday

RATE £31.50 PER SINGLE COLUMN CENTIMETRE

For further details contact:
CARMINA LEON
Tel: 01-248 8000

Top Level Management Accountants

Central Finance in major business group

London W1. Up to £19,000

British Telecom Enterprises is an entrepreneurial group of 5 forward-looking businesses, including such well-known names as Prestel, Yellow Pages and Merlin. Opportunities now exist for two graduate qualified Accountants within its Central Finance function, located in central London, to assist in:

- the development and improvement of management information and related systems;
- reviewing proposed new investments of all types;
- monitoring the performance of existing businesses and investments;
- carrying out, or reviewing the results of, financial investigations;
- advising management on the finance related aspects of the businesses.

These are staff appointments which require business orientated individuals with a flexible approach to work and life; the ability to pick up and absorb information rapidly; and the confident, easy relaxed approach which will enable them to work confidently with managers at all levels and in all disciplines.

Post qualification industrial or consultancy experience essential and project appraisal experience highly desirable.

Starting salaries will be between £14,800 – £19,000 (inclusive of London allowance), depending on age and experience.

Please write, enclosing curriculum vitae, to: Stephen Godber, British Telecom Enterprises, P12, Room 1036, 23 Howland Street, London W1P 6HQ.

British TELECOM

Outstanding Career Opportunities

(Age 25–30)

Rural Thames Valley **£11,500–15,000+car**

A progressive marketing strategy and impressive profit record have earned our client – a large subsidiary of a major U.K. group – a highly-regarded international reputation. Continued expansion and rationalisation of the finance function has created a need for a number of bright, young accountants to strengthen the accounts team.

Candidates aged 25–30, will be qualified accountants (ACA, ACMA, ACCA) with a good academic record and have experience gained either within the profession or in a commercial environment. Ambition, positive thinking and the ability to work within a closeknit team are essential attributes.

The opportunities available are varied and challenging with experience to be gained in financial planning and financial accounting. Furthermore long-term prospects within the group are excellent and the competitive salary is accompanied by generous relocation expenses.

If you think you can meet the challenge offered by this marketing-orientated operation, contact **Mike Jones** or **Terry Benson on 021-643 6255** at 24 Bennetts Hill, Birmingham B2 5QP.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Financial Management

Young High-Technology Group

Hampshire **c £25,000+Car**

Our client is a publicly-quoted high technology group with an exciting and dynamic international growth record. Their continuing expansion and product innovation is fuelled by a high-calibre and creative management team.

To add to their team, they seek a business-minded Qualified Accountant whose track record is one of significant achievement. Particular skills and qualities sought are those of a commercial, organisational and entrepreneurial nature. (age indicator 30-37).

Reporting to the Group Financial Director, the position involves the co-ordination and supervision of major operational areas, advice and direction to subsidiaries, acquisition studies and cash planning and a worldwide travel requirement of 30%.

The position is one of real challenge and considerable responsibility. It demands exceptional ability and personal presence. In return, the Company offers growth potential, excellent remuneration and benefits and the possibility of equity participation through a share incentive scheme. Future career prospects are exciting and not limited to the Finance area.

Applicants should write to Nigel Hopkins F.C.A., P.O. Box 143, 31 Southampton Row, London WC1B 5HY, quoting ref 940.

MP
Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

GROUP ACCOUNTANT/ COMPANY SECRETARY

City **circa £25,000+car**

Our client, an international organisation operating in the financial markets, is a long-established U.K. quoted group *with an impressive record of success. They have some 20 subsidiaries operating in all the major financial centres* throughout the world.

The Group Accountant will report to the Finance Director and assume responsibility for the preparation and review of the monthly reporting package, including its standardisation, co-ordination and computerisation.

Ideally candidates will be qualified accountants who have had sound experience of group reporting systems, a good knowledge of secretarial practice, exposure to an international organisation and an awareness of U.K. and overseas taxation. Age is, of itself, immaterial although it is considered that anyone under the age of 35 is unlikely to have the necessary experience or maturity for the appointment.

While not essential it would be an advantage if applicants had a second language, experience of a financial institution and some knowledge of the treasury function.

All applications, which will be treated in strictest confidence, should be addressed to **Richard Norman FCA**, at our London address **quoting ref: 4152.**

410 Strand, London WC2R 0NS. Tel: 01-836 9501
26 West Nile Street, Glasgow G1 2PF. Tel: 041-226 3101
3 Coates Place, Edinburgh EH3 7AA. Tel: 031-225 7744

DOUGLAS LLAMBIAS
Douglas Llambias Associates Limited
Accountancy & Management Recruitment Consultants
DLA

Internal Auditor

Oxford based **circa £14,000**

In order to assist in BPCC's expansion and high quality profit growth, an Internal Auditor is required to join the Group Finance Department based in Oxford.

The Internal Auditor will be required to carry out operational and financial reviews of BPCC's operating companies with a commercially orientated approach. Although based in Oxford the post will require significant travel throughout the UK and possibly abroad.

It is expected that the successful candidate will meet all the *following requirements:*

- a qualified accountant aged between 25 and 35
- experience of audit techniques, probably gained in the profession together with at least 2 years' internal audit experience
- drive and determination to succeed in a fast-moving organisation
- a good judge of people coupled with tactful perseverance where necessary
- an absence of domestic commitments which may affect the pressures and mobility demands of the post.

Candidates who are confident that they can meet these requirements should send a full C.V. to: Andrew Browne, Controller of Internal Consultancy and Audit Services,

bpcc
The British Printing & Communication Corporation PLC
Headington Hill Hall
Oxford OX3 0BW.

CALLOG

THE MARKET LEADER IN TELEPHONE CALL LOGGING

requires a

COMPANY ACCOUNTANT – circa £12,500 p.a.

An exciting opportunity for a qualified/part qualified accountant, male or female, to take responsibility for the day-to-day running of the accounts department.

Reporting to the Company Secretary, the applicant must have a responsible attitude and a high degree of self motivation. Usual fringe benefits. Please write, giving full career details, to the Company Secretary.

Callog Limited,
12 Elizabeth Street, London SW1W 9RB.
Telephone: 01-730 9056.

COUNTS THE COST OF EVERY CALL

FINANCIAL CONTROLLER

North London **c. £15,000+Car**

Our clients are an expanding group with a £2m. turnover engaged in manufacturing and assembly. They wish to recruit a Financial Controller to head the financial, computer and planning sections. He/she must be a qualified management accountant with in-depth experience of business planning, production costing, computers and accounts.

This is a major career opportunity with a group aiming to increase its size rapidly.

Preferred age 30-40.

Apply in writing with detailed C.V. to
A. D. Harverd at:
HACKER YOUNG MANAGEMENT CONSULTANTS
St. Alphage House, 2 Fore Street
London EC2Y 5DH

MANAGEMENT ACCOUNTANT

CITY **Remuneration £15,000+**

A leading firm of stockbrokers seeks a young accountant with the potential to progress to the position of Financial Controller within 12–18 months.

Reporting to the Finance Director, the successful applicant will be responsible for the compilation of budgets, the preparation of management reports and financial accounts together with a wide range of *ad hoc* investigations.

Applicants must be qualified, preferably ACA, and should be in their mid/late twenties. The package includes a basic salary of c. £12,000 plus the extremely generous bonuses associated with stockbrokers.

Please send a comprehensive career résumé including salary history and day-time telephone number, quoting ref: 2124, to G J Perkins.

Touche Ross & Co, Management Consultants
Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.
A member of the Management Consultants Association.

Accountancy Appointments

James Miller & Partners Ltd

GROUP FINANCIAL DIRECTOR

EDINBURGH c. £30,000 + CAR + BENEFITS

The Miller Group with current annual turnover of £80M has its activities centred mainly on construction, development and opencast mining throughout the U.K. and overseas. Due to pending retirement we wish to appoint an experienced financial executive to take full responsibility as Main Board member for providing and controlling the comprehensive accounting and financial services required throughout the Group.

Candidates preferably aged 35-45, must be qualified accountants with at least 10 years' successful experience in industry or commerce including appointment at top financial level within a substantial business. They must also possess the drive, skill and maturity necessary to lead a diverse, well developed, computer-based accounting organisation. Familiarity with the construction or related industries would be an advantage.

The successful applicant is likely to be a graduate qualified accountant with a strong background of management accounting and with successful broad based experience enabling him/her to share with colleagues in the overall management of the Group.

This is a key appointment which offers the right person an ideal opportunity to join, at top level, a progressive Scottish Company with a sound record of achievement and profitability.

To apply, please write giving full career and personal details to:

The Chairman,
James Miller & Partners Ltd.,
Miller House,
18 South Groathill Avenue,
Edinburgh, EH4 2LW.

EUROPEAN AUDITOR

West London Base

SALARY £13,000
with excellent prospects

National Semiconductor Corporation designs, manufactures and markets worldwide a broadline of semiconductor devices; point of sale terminal systems; and markets IBM-compatible computer products through its National Advanced Systems subsidiary.

The company is seeking an experienced auditor who can conduct financial, operational and EDP reviews throughout the company's European operations. The position entails interaction with senior international management within a 75% travel schedule and requires imagination and initiative in the carrying out of reviews without on-site supervision.

The management style, like the technological and marketing environment, is fast moving and responsive. Responsibility is to the European Audit Manager who in turn reports to the Director of Internal Audit at the corporate headquarters in Santa Clara, California. Prospects are excellent within the corporation and the successful candidate will be capable of assuming responsibility for the European audit function in the short term.

The successful candidate will be a qualified graduate accountant, aged mid-late twenties, and with internal audit experience in an international environment. Fluency in a second major European language is essential. EDP experience would be a distinct advantage.

Please write with full CV and daytime telephone number to:

Mrs. Cathy O'Rouke
National Advanced Systems (Europe) Corporation
John Busch House, 277 London Road, Isleworth TW7 5AX

National Semiconductor

FINANCE DIRECTOR

Hertfordshire c. £17,500 + car

Our client is a small, expanding, privately-controlled property trading and development group. They wish to recruit a Finance Director who will also fill the post of Company Secretary.

The prime responsibility will be to the Managing Director for controlling the accounts function, maintaining effective financial control, producing budgets and forecasts and negotiating finance.

Candidates must be qualified FCA, aged 30-40 and must have experience in the property market. They must work to high standards and have a professional approach. The salary will be at least £17,500 per annum, plus car and PPP.

Applicants should write, with full curriculum vitae, to Michael Covell at:

RAWLINSON and HUNTER
CHARTERED ACCOUNTANTS
P. O. BOX NO. 4SR
ONE HANOVER SQUARE · LONDON W1A 4SR

Group Financial Accountant

c £14,000 plus benefits City

Our client is a major British company with world-wide activities including Transport, Property and Oil. They are a leading name in every sense and presentely have an opportunity for an ambitious accountant with leadership potential.

The basic role covers central accounting and consolidations. The systems are fully computerised and deal with the returns of around 300 subsidiary companies. The successful candidate will have to be able to communicate with the financial staff at all levels and with the Group's auditors. He/she will also be responsible for budgets, forecasts, cash flow and other items of management information *concerning the central administration.*

Candidates should be qualified chartered or certified accountants with at least two years' post-qualification experience. This may have been gained within the profession and the position could represent an excellent first move into commerce. Alternatively, those with commercial experience may welcome the challenge of working at the heart of a major organisation's accounting centre. There are prospects for career development both within the department and elsewhere in the Group.

Please apply to Anthony Jones, Career Plan Ltd., Chichester House, Chichester Rents, Chancery Lane, London WC2A 1EG. Tel: 01-242 5775.

Career plan LIMITED
Personnel Consultants

ACCOUNTANCY APPOINTMENTS

Appear every Thursday

RATE £31.50 PER SINGLE COLUMN CENTIMETRE

Group Financial Director

£20,000 + West Berkshire

Our client, a private company with interests in retailing, property and manufacturing, wishes to appoint a Group Financial Director to manage the finance and accounting function. Group turnover is c £20m and 340 people are currently employed at six separate locations.

The main emphasis of the post will be to advise the Board on all financial matters and to ensure that the Group's accounting practices are effective. The accounting systems are computerised and there is competent assistance available.

Candidates should be qualified accountants, preferably Chartered, with a minimum of five years post qualification experience in commerce or industry. They should be used to taking responsibility and able to play a full part in the decision-making process of a company. Likely age is around 35.

Starting salary will be in the region of £20,000 plus. In addition to a car, other benefits include private medical care and a company pension scheme.

Please write in the first instance, giving full details of experience and qualifications to the address below, listing on a separate sheet any companies to whom you would not wish your application forwarded. Applications will otherwise be passed direct to our client.

Please quote reference no. 1372 on the envelope and enclosures.

bhf
Binder Hamlyn Fry & Co.,
Management Consultants,
8 St. Bride Street,
London, EC4A 4HR

ACCOUNTANCY ACCOUNTANCY ACCOUNTANCY

FINANCIAL CONTROLLER c£18,000 + Car

A senior appointment for an ambitious, commercially aware accountant with good industrial experience. This No. 1 financial position is viewed as a developmental role. An early priority is the introduction of a new in-house computer facility. The Financial Controller will enjoy considerable contact with Sales and Marketing Directors and will be responsible for managing some 20 staff. Suitable candidates will be qualified accountants, aged 30-35, with a proven track record, preferably within a U.S. company environment. SURREY. Ref: JG.

BROAD TREASURY ROLE c£18,000 + Car

A successful and expanding U.S. company involved in high-technology distribution throughout Europe offers a broad and challenging treasury role. This *newly created position reports* directly to the VP Finance and is responsible for multi-currency exposure, cash management, risk coverage and European and U.S. taxation. Candidates should be qualified accountants possessing wide head office experience with considerable exposure to the treasury function. BERKS. Ref: JG.

U.S. CAREER c£15,000 + Car

A major U.S. corporation offers a unique career opportunity to a young graduate Chartered Accountant *making* his/her first move out of the profession. After an induction period in the U.S.A. he/she will perfom a broad role embracing treasury management, financial accounting, U.S. reporting and internal audit. The position offers European travel plus excellent career prospects in the U.S.A. Candidates should possess first-class technical and communication skills plus a proven track record. BERKS. Ref: JG.

ROBERT HALF
LEE HOUSE, LONDON WALL, EC2. 01-606 6771

Taxation Specialist

Eagle Star Group has a vacancy at its Head Office in the City of London for a qualified Accountant with at least 1 year's experience in a tax department of a professional practice or similar commercial experience. The position offers an excellent opportunity to gain experience of U.K. and Overseas taxation in the context of an international insurance group.

The remuneration package will be commensurate with the qualifications and experience required and includes a non-contributory pension scheme and mortgage facilities.

Please write with full career details to:
Personnel Department, Eagle Star Group,
P.O. Box 33, Cheltenham GL53 7LQ.

Eagle Star

Internal Auditor

With Management Potential

Bournemouth Area

Negotiable from £12,500 + car + relocation assistance

This position will be of particular interest to commercially oriented Chartered Accountants whose longer-term ambition is to move into management.

Our client is a small, fast growing and successful building society in the Bournemouth area, operating mainly through an extensive agency network in the South of England.

Further rapid expansion is planned and with total assets already approaching £100 million, the Society has decided to create the new position of Manager Internal Audit reporting direct to the Chairman.

The Board regard this as a key appointment which could lead to longer-term management responsibilities. They are therefore looking for someone who can make a major contribution to the operational efficiency and success of the Society. Initiative and keen commercial awareness will clearly be essential personal attributes.

The position calls for a high calibre ACA, aged 27 to 35, with at least two years post qualification experience with a large firm of Chartered Accountants. Experience of computer based systems is a prime requirement. Previous building society experience is not essential.

An attractive remuneration package including car, mortgage and relocation assistance is offered, with excellent career prospects.

Interviews will be held at our Bournemouth or London offices.

Please send concise details including salary and day-time telephone number, quoting ref W2003, to W S Gilliand, Executive Selection Division.

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

FINANCIAL OPPORTUNITIES IN STAINES

Newbury Data Recording Ltd., Britain's leading computer peripherals manufacturer is going from strength to strength. This year sales increased from £24 million to around £40 million and, with our current rate of growth, we confidently expect turnover to reach £100 million by 1986. Such expansion offers exceptional scope for involvement and real job satisfaction.

BUDGET ACCOUNTANT
£11,000 – £13,000

The duties will involve the planning, co-ordination and review of the annual budget, the production of periodic forecasts and review of capital development expenditure and fixed assets. An important part of the brief will be the identification of areas where costs can be reduced.

Probably a graduate aged around 30, the person we are seeking will have sound commercial experience, ideally gained in the computing or electronics industry. He, or she will be professionally qualified and, most importantly, will have the inter-personal skills necessary to relate, and offer guidance, to a wide range of senior personnel.

SYSTEMS AND SUBSIDIARIES ACCOUNTANT
£10,000 – £12,000

This is a newly created post set up to assist in the control of the financial activities and systems of Newbury Data in the UK and its subsidiaries in France, Germany and Italy. We are seeking an Accountant who can take an objective view of current internal control and financial management systems, improving and revising them where necessary. European travel will be involved and the ability to speak at least one European language would be an advantage. Translation of the accounts of the subsidiaries is an integral part of the present method of operation.

The ideal candidate will be aged 25-30 with a minimum of two years practical accounting experience in a commercial environment. Preferably a graduate, self-starter and good communicator he or she will be able to command the confidence of senior executives throughout the Group. Experience with computerised systems is preferred.

In addition to the excellent salaries, the benefits package will include life assurance, contributory pension scheme and relocation expenses where appropriate.

Send your CV to Ian Muir, Personnel Officer, Newbury Data Recording Ltd., Hawthorne Road, Staines, Middlesex. Tel. Staines 51388 ext 202 or 239.

Newbury Data
A member of the DRI Group.

Hoggett Bowers

Executive Selection Consultants
BIRMINGHAM, CARDIFF, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE and SHEFFIELD

Financial Controller

Retail Group South West,
c.£17,500, car, profit sharing scheme

The company is an important member of a public group, and their dramatic and profitable growth over the last three years has had a major impact on the group's performance. There are currently about 50 shops strategically placed throughout the country, with many more planned in the medium term in the UK and possibly internationally. Management is young, enthusiastic and totally committed, proud of their achievements, and eager to continue the development of their characteristic way of retailing which is based on specialist merchandise of high quality. The Financial Controller is a key member of the team, and must be able to bring at least three years practical, financial control experience to the position. The role demands a qualified accountant, probably early 30's, with a good computer based systems development background in retailing, and with all the personality traits so essential to a fast moving environment. Success will ensure high rewards through the company's generous profit sharing scheme, and fringe benefits are excellent including non-contributory pension scheme and relocation assistance where required.

R.D. Howgate, Ref: 27292/FT. Male or female candidates should telephone in confidence for a Personal History Form **061-236 8981.**
Sun Life House, 3 Charlotte Street, **MANCHESTER,** *M1 4HB.*

European Internal Audit Manager

c. £14,500 plus car

Parker Hannifin, a US based, multi-national corporation and leader in fluid power technology employs over 20,000 people and has a turnover of $1.2 billion. Growth has been largely through acquisition and in a complex international organisation such as this, the auditing function has a vital role to play in corporate financial control.

This key *appointment, based in Watford,* England but involving considerable overseas travel, carries responsibility, under the Director of Internal Audit, for planning and carrying out regular financial and operational audits throughout company subsidiaries in Europe, together with various ad hoc assignments as required. This will call for close liaison with Operating Vice Presidents, Group Accountants and External Auditors in order to ensure an appropriate programme of audit coverage.

Other responsibilities will involve provision of financial support in European subsidiaries as required and advice on all financial and cost accountancy policies as they apply to European operations.

The scope of responsibilities for this position is such as to call for a Chartered Accountant, man or woman, with extensive internal audit experience within a large company or at management level in one of the major public accounting firms. International experience is essential and a knowledge of French or German would be an advantage. Preferred age is 27-35.

The appointment offers a salary of around £14,500 pa, possibly more for an outstanding candidate, plus 2.3 litre company car, BUPA and other attractive benefits. Prospects for future career development are excellent in an international finance environment.

Write with full details of experience to Nigel Travis at Parker Hannifin Europe, PO Box 192, 69-71 Clarendon Road, Watford, Herts WD1 1DQ, England. Tel-0923 46611.

Parker
The Fluidpower Company

هكذا من الاصل

Accountancy Appointments

City **c. £15,000 + Car**

Chief Accountant
Underwriting

Our client is a well-respected management and underwriting agency which has been operating in the London re-insurance market for nearly thirty years. Already earning an eight-figure premium income, its recent and planned growth creates the new position of Chief Accountant – Underwriting.

The appointee will report to the Managing Director and will be responsible for the preparation of all statutory accounts and the reconciliation of accounts with brokers, in addition to reporting to the Department of Trade and principal companies. Liaison with the company's own underwriting staff will be very close.

The successful candidate will probably be aged late 20's upwards and qualified, and will know the London re-insurance market. Background could be in broking or underwriting, and will include experience of installing and developing computerised accounting procedures and the control of an accounts department.

The post carries considerable autonomy but demands developed communication skills. Benefits include excellent non-contributory pension and private medical insurance.

Letters of application, together with CV, salary progression and any other relevant data, should be sent without delay to Mr. C.A. Cotton, Executive Recruitment Division, Stoy-MLH, 126 Baker Street, London W1M 1FH, quoting reference M571.

STOY MLH

Management Consultants

Chief Accountant
Insurance

Salisbury
to £20,000
+car & substantial benefits

UK Provident, a successful life insurance company, is seeking a Chief Accountant to strengthen its accounting team to meet the demands of rapid growth.

Reporting to an Assistant General Manager, the person appointed will assume responsibility for the accounting function, including tax compliance. A significant initial task will be the implementation of computerised accounting systems, including those associated with the company's unit linked and managed funds business.

Candidates will be Chartered Accountants, aged 35–45, with a successful record in financial management ideally in an insurance company, or possibly, a related financial institution. The individual should also possess the personal qualities which a demanding environment of both rapid growth and extensive product development requires – determination, tact, organisational flair and the ability to communicate effectively.

Applications, which will be treated in confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write to Kevin Rotherham, quoting reference 1188/FT on both envelope and letter.

Deloitte Haskins+Sells

Management Consultants

128 Queen Victoria Street, London EC4P 4JX

Financial director

Sussex, c£20,000 + bonus + car

C&L

This rapidly expanding and highly successful quoted specialist engineering group, current turnover £50 million, requires a financial director to join the Board of its mechanical engineering division.

Working closely with the Divisional Managing Director, the initial emphasis will be on the development of improved management information and product costing systems. With fellow board members you will also concentrate on business development, including new product evaluation and acquisition analysis.

A qualified accountant, probably in your 30s, you should have held a management position in manufacturing industry. Prepared not only to roll up your sleeves, but also to provide financial advice at a senior level, you should have experience of introducing computer based management information systems.

Résumés including a daytime telephone number to R C Henry, Executive Selection Division, Ref. H027.

Coopers & Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

GROUP CHIEF ACCOUNTANT

The group is based in the Midlands and is a leading manufacturer of consumer durables with sales of £60m. This newly-formed position of group chief accountant requires a highly self-motivated individual with a recognised professional accounting qualification and preferably a university degree who has had experience at senior levels within a professional and industrial environment.

The successful candidate will form part of a committed team and be responsible for enhancing the financial and commercial reporting systems, performance appraisal of group companies and control of the group's financial resources.

This position reports to the Group Managing Director and requires a person able to communicate clearly to all disciplines of senior management within the group and external professional contacts.

Salary: £17,500 plus extensive benefits.
Age: 30/35 years.

Reply: Box A8282, Financial Times
10 Cannon Street, London EC4P 4BY

Special Projects Accounting with IAL means you're bound to go far.

When we say 'go far', we're referring not only to the effect this experience will have on your future financial career, but also to the international dimensions of the post.

Because of further expansion we are looking for an additional accountant to join the accounting team who are specifically responsible for handling special projects arising both within the UK and right throughout our multi-million pound operations in communications, aviation and technical services which stretch across Europe, the Middle East and the Far East.

Based at our Head Office near Heathrow, this team performs vital support and troubleshooting roles when and wherever required in branches, subsidiaries and associates throughout the world, so it goes without saying that you'll have numerous opportunities for travelling, often at short notice.

Other projects that will appeal to a qualified accountant who positively thrives on variety embrace a range of disciplines and objectives including examination of computerised accounting systems, stock control and valuation, capital budgets and approvals.

We see the job going to a highly motivated and energetic man or woman in their mid to late twenties, a qualified member of a recognised accounting institute, with sound knowledge of computer systems and the ability to produce Management and Financial accounts from both manual and computerised records.

In return for your versatility and involvement, you'll be rewarded with a salary starting at £11,000, a very attractive benefits package and the prospect of totally new experiences and challenges.

Please phone or write with a detailed c.v. to:
Andy Todd, IAL, Aeradio House, Hayes Road, Southall, Middlesex, UB2 5NJ.
Telephone: 01-574 5134.
Please quote Ref: K140.

IAL

THE HIGH TECHNOLOGY TASK FORCE
COMMUNICATIONS SYSTEMS
COMPUTER SYSTEMS AND SERVICES
MEDICAL SERVICES
AVIATION SYSTEMS AND SERVICES-WORLDWIDE

Financial Controller

Leicestershire **c£16,500+car**

Our client is an established, privately-owned financial services group which has experienced an impressive and steady growth over the last five years. A qualified accountant is now sought to co-ordinate and control the group's financial function.

Candidates, aged 27–35, will have a proven record within a commercial environment, together with acute technical skills, a high degree of flexibility and communicative ability. Reporting to the Chairman, this role will involve:–

- ★ Installing tight financial controls, particularly for divisional activities.
- ★ Improvement and up-dating of computerised systems.
- ★ Working closely with both financial and non-financial management in this marketing environment.
- ★ Taking responsibility for a small financial team.

Interpersonal qualities are of utmost importance and for someone with the required attributes a board appointment with equity participation is a real possibility in the future. The competitive salary is accompanied by an executive car and profit share facility.

Candidates should write to Nigel Hopkins, F.C.A., enclosing a comprehensive curriculum vitae, quoting ref. 841, P.O. Box 143, 31 Southampton Row, London WC1B 5HY.

MP

Michael Page Partnership
International Recruitment Consultants
London New York
Birmingham Manchester Leeds Glasgow

Manage and Develop Audits
For a Major North Sea Operator

London HQ **c.£20,000**

A successful and prosperous oil company which is part of a major international group is acting as operator of a very large project currently underway in the UK. Already firmly established as a respected and growing organisation, its rate of expansion has accelerated significantly and it has upgraded the audit function and created a new senior appointment.

You will establish and monitor a comprehensive, company wide audit programme and will be responsible for both financial and operational reviews. You will analyse new and existing procedures, recommend improvements and represent the company at audit meetings with partners. It is envisaged that your responsibilities will continue to grow to keep pace with development and ultimately there are excellent prospects in other financial areas within the company.

The salary includes an annual bonus and the remuneration package offers a wide range of benefits which cover pension scheme, life and accident assurance, BUPA, subsidised loans, LV's and a generous relocation allowance where applicable.

Aged at least 35 and probably a qualified accountant, you will have several years' commercial audit experience and will be prepared to travel frequently during your first year. Additionally you will be an articulate and confident communicator, a tactful but effective negotiator and a good man manager.

Please telephone for an application form or write to Sue Jagger at Cripps, Sears & Associates Ltd. (Personnel Consultants), 88/89 High Holborn, London WC1V 6LH. Telephone 01-404 5701 (24 hours).

Cripps, Sears

Young Financial Controller

Board Potential

Croydon
to £15,000 + car

With its increasing sales momentum and range of new products, this office equipment distributor is confident of maintaining its rapid growth of the past few years.

They now need an ambitious young Qualified Accountant, aged around 27, to take charge of all accounting, financial and administrative aspects of the business including the development of improved d.p. based management information systems.

The position calls for at least 2 years post qualification commercial experience involving d.p. systems and the ability to exert stringent financial control in a fast moving, fast growing environment. Keen commercial awareness is a critical requirement to enable you to work effectively with the Managing Director in developing the business.

An attractive remuneration package, including car, is offered, with good *prospects of an early Board appointment.*

Please send concise details including salary and day-time telephone number, quoting ref: C2004, to W S Gilliland, Executive Selection Division,

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

GROUP FINANCIAL CONTROLLER

Suburban Essex
c.£17,500 + car and usual benefits

Our Client, a quoted public company now reorganised as a holding company, wishes to appoint a Group Financial Controller. The annual group turnover in excess of £50 million is derived from importing, trading and manufacturing activities. The successful candidate will report to the Group Managing Director and be a member of a small head office management team responsible for group policy and finances.

As well as controlling the central accounting operation and co-ordinating the activities of subsidiary accountants he or she will be expected to advise the main Board on matters of financial policy and to report on statutory and management accounts which are produced from computer based systems. Data processing is well established and the Group Financial Controller will be responsible for its further development.

Applications are invited from qualified accountants, aged between 33 and 45, with appropriate experience which should include E.D.P., staff control and liaison with senior management of varying disciplines. The candidate should have the personal and professional qualities to warrant a Board appointment in due course. Replies marked for the attention of Michael Ping and quoting reference FT/443/P to:

E&W

Ernst & Whinney Management Consultants
Becket House, 1 Lambeth Palace Road, London SE1 7EU.

ACCOUNTANCY APPOINTMENTS

Appear every Thursday

RATE £31.50 PER SINGLE COLUMN CENTIMETRE

Assistant Group Accountant

As part of a progressive listed Group's expansion programme we are seeking a Financial Specialist to be based in the West Midlands.

This position will provide a positive and constructive approach to the financial appraisal by senior management of existing and future group trade and financial investments covering a variety of industries.

The successful candidate will have had an excellent professional accounting career complemented with commercial accounting experience.

The position reports to the Group Finance Director and offers excellent promotion prospects.

Age 25/30 years. Qualification A.C.A./A.C.M.A.

Salary of £12,750 plus benefits.

Write Box A8280, Financial Times, 10 Cannon Street, London EC4P 4BY.

Accountancy Appointments

Director of Management Services

Accounting and Computing

New Appointment

City c.£38,000 package, car

for a prestigious financial institution.

Responsibility will be for the whole accounting function, and the development and implementation of information systems strategy and plans across the organisation to meet changing market needs and trends in a complex and highly competitive business environment.

The requirement is for a senior management professional experienced in financial management and accounting (including foreign currency accounting), and in directly managing the data processing function, preferably in a banking environment. Applicants must be able to demonstrate the ability to utilise developing technology objectively in promoting relevant systems concepts and solutions, and practised in effectively controlling the preparation of statutory accounts, consolidated balance sheets, and taxation reports both UK and foreign. The ability to direct and control a multi-disciplined environment effectively is vital.

The successful candidate will be offered a remuneration package around £38,000 and an executive car.

Please write in full confidence to ANTHONY SPURR, Manager, Executive Selection Division, quoting GF1144, at the address below.

BIS Applied Systems Limited
York House, 199 Westminster Bridge Road
London SE1 7UT
Telephone 01-633 0866

BIS Applied Systems

Finance Officer

ECONOMIC DEVELOPMENT UNIT

£13,992 – £15,306

This is an exciting opportunity to play a key role in the economic and industrial development of Bexley. Our Economic Development Unit has been in operation since 198[illegible] and is the focal point of a major programme of employment creating initiatives.

You would be taking over from an officer who will be completing a period of secondment from a clearing bank at the end of the year. Your key objectives will be to help companies identify and meet their financial needs, administer the Council's financial assistance package (including interest relief grants and development loans), assist both large and small companies in obtaining venture and loan capital when they are starting up, expanding or relocating and provide a professional advisory service to aid Private Sector expansion and increased profitability. You will also be expected to make a positive contribution to the development of the Unit as a whole.

Applicants should be qualified accountants with at least 2 years experience of working with the smaller business sector, be a self starter and have the ability to communicate well at all levels of management. Experience in the banking sector (retail or merchant) would be an advantage.

The post carries a Casual Car User Allowance. We also offer car purchase facilities, relocation expenses and other benefits.

Application forms from Technical Services Secretary, Personnel Section, Sidcup Place, Sidcup, Kent DA14 6BT (01-303 7777, ext 8348). Closing date 23.9.83.

Bexley

Financial director designate

London, c£24,000

C&L

Spink & Son Limited, of St. James's, London, long established eminent dealers in Fine Art and Coins, require a Financial Director who will also act as Company Secretary. The Group has an annual turnover of £24 million and employs 150 staff. It is the holder of three Royal Warrants and is part of a large privately owned group located in the City.

You will be responsible to the Managing Director and will control the financial and company secretarial functions, and will manage a small computer based accounts department. The job ranges widely from strategic planning down to some detailed involvement in routine accounting and administrative matters.

You must be a qualified accountant with experience in commerce plus financial and management accounting, treasury and asset management.

Resumes including a daytime telephone number to E J Robins, Executive Selection Division, Ref. R167.

Coopers &Lybrand associates

Coopers & Lybrand Associates Limited
management consultants

Fleetway House 25 Farringdon Street
London EC4A 4AQ

ACCOUNTANCY APPOINTMENTS

Appear every Thursday

RATE £31.50 PER SINGLE COLUMN CENTIMETRE

Financial Controller

Exciting New Business Opportunity

to £15,000 + car
Tonbridge, Kent

Our client has set up an exciting venture to market a wide range of small electrical goods under a well-known personality brand name. The initial launch will be a range of products in the hair and personal care fields and the enthusiastic initial response from the trade is already confirming earlier predictions of substantial growth potential in these areas. Further growth is planned in other areas later.

Sound financial backing has been arranged and what is now required is an enthusiastic and able young Qualified Accountant to control the finances and administration and to contribute to the company's growth and prosperity.

Applicants should be aged 27 to around 30, preferably chartered, with at least two years experience in commerce, ideally in a f.m.c.g. environment.

An attractive remuneration package will be negotiated and there are excellent prospects of a Board appointment within the short term.

Please send concise details including salary and day-time telephone number, quoting ref: M2012, to W S Gilliland, Executive Selection Division.

Thornton Baker Associates Limited, Fairfax House, Fulwood Place, London WC1V 6DW.

2-3 Years Post Qualified?

Accountant For An Expanding Oil Company

London HQ c.£15,500

A bright young accountant probably looking for your first postion in industry, here is your chance to join the European HQ of a successful, international oil company and to gain an overview of its operations.

Steady expansion and the recent production start-up of a North Sea oil field has led to a significant increase in the volume of accounting. With resultant reorganisation the company now needs someone to run the day to day accounting function.

Taking charge of a small team of part qualified staff, you will be responsible for the provision of financial and management information advising on accounting standards and ensuring compliance with statutory requirements. You will liaise with joint venture partners and with the company's corporate accounting office and will attend relevant technical meetings.

In addition to salary the company provides a range of benefits which include non-contributory pension scheme, BUPA and a share participation scheme.

Probably in your mid to late twenties you will have at least two years post qualification experience and an impressive academic record. You will also be capable of organising and managing staff and will enjoy working in an industrious and enthusiastic environment.

Please telephone for an application form or write to Sue Jagger at Cripps, Sears & Associates Ltd. (Personnel Consultants), 88/89 High Holborn, London WC1V 6LH. Telephone 01-404 5701 (24 hours).

Cripps, Sears

EUROPEAN FINANCIAL CONTROLLER

U.S. High Technology

c£22,500

Our Client, is the recognised world leader in specialist computer based products and services. The European Division is well established; having trading activities throughout Europe and Scandinavia, and is intent on maintaining and improving its above average growth pattern.

The company wishes to recruit a highly motivated and ambitious Graduate Accountant (30-36) for this Senior position. Based at the European Headquarters in Middlesex, you will report to the European F & A Director, and your main responsibility will be Finance Function Management; with key emphasis placed upon development and improvement to management reporting standards.

It is essential that you have already been exposed to U.S. reporting standards, are familiar with European accounting practices (probably gained in an operational subsidiary 'sharp end' role) and that you have previously worked for a marketing-orientated company. Fluency in at least one other European language is desirable.

If you consider that you meet the set criteria, please telephone Alastair Primrose A.C.I.S. Director of Financial Appointments on 01-242 6321 or alternatively send your c.v. to the address shown below.

Personnel Resources Limited **75 GRAYS INN ROAD, WC1X 8US**

Group level involvement for a young qualified accountant

North Sussex C. £10K + Car

Bowthorpe Holdings is a highly successful British Public Company, primarily concerned with the Electronics Industry. There are operating companies throughout the U.K. and overseas. An interesting opportunity has arisen at the Company's Head Office in Crawley.

Reporting to the Group Financial Controller, the man or woman appointed will be required to undertake project work within existing businesses. In addition, they may be asked to act as Accountant for one of the small, high-technology businesses that are currently being developed, either directly or through acquisition.

The successful candidate is likely to be an A.C.A., A.C.C.A. or A.C.M.A. in their mid 20's, with a generalist background appropriate for manufacturing industry. They will be offered a first-class remuneration package and outstanding career prospects.

Candidates are invited to contact, in confidence:-

bh

Michael Mealing, Group Personnel Manager,
Bowthorpe Holdings Plc, Gatwick Road,
Crawley, West Sussex, RH10 2RZ.

NEWLY QUALIFIED ACCOUNTANCY APPOINTMENTS

Thursday 22nd September, 1983

The Financial Times has arranged with the Institute of Chartered Accountants to publish a list of those candidates who were successful in the recent Part II examinations.

We propose to publish the list in our issue of Thursday, 22nd September, 1983, which will also contain several pages of advertisements under the heading of "Newly Qualified Accountancy Appointments." Advertising rates will be £31.50 per single column centimetre. Special positions are available by arrangement at premium rates of £37.50 per s.c.c. Newly Qualified Accountants, especially Chartered, are never easy to recruit—don't miss this opportunity!

We will also be including in this feature a

GUIDE TO RECRUITMENT CONSULTANTS

and entries in the guide will be charged at £45 which will include company name, address and telephone number.

For further details please telephone:
01-248 4782 or 01-236 9763

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Divisional Financial Manager

City c £17.5K plus car

An able and experienced Chartered or Certified accountant, probably aged 30 plus, is sought for this new post at the centre of a substantial international business.

Reporting to the Finance Director and motivating a large team, responsibilities will embrace all financial accounting matters, including statutory accounts; audit; tax and cash management activities; plus review of the company secretarial function.

The division, the largest part of a group with diversified interests, has a turnover in excess of £100m and employs around 800 people. It is about to enter an exciting new era of management participation and innovation which will ensure an enviroment both compelling and challenging.

The fringe benefits are attractive and complement the generous compensation package.

Please telephone, or write briefly, for a personal history quoting ref. LG752 to John Constable ACIS, Regional Director. Telephone (out of hours 01-549 5519)

Management Personnel
Recruitment Selection & Search
67/68 New Bond Street, London W1Y 9DF
Telephone: 01 408 1612

Chief Accountant

For the UK office of a US Corporation, location London.

Duties include supervision of payrolls and personal accounts, statutory requirements, budgeting and the provision of general financial advice for the General Manager.

The essential requirement is multinational company experience, including varying payrolls and nationalities, rather than P/L responsibility. Age range 28 to 36.

Please write as soon as possible, naming companies to which we should not forward your application, quoting ref. no.77, to Ian Lovatt, Royds Personnel Service, Royds House, Mandeville Place, London W1M 6AE.

RPS

Royds Personnel Services London Limited

FINANCIAL CONTROLLERS

Midlands and London

Salary: £15,000 (plus London allowance) + benefits

An expanding Public Group is commencing a further diversification of its operating base into the field of high technology.

The positions offered require ambitious financial controllers capable of dealing with a significant level of ad hoc projects associated with the development of a new division simultaneously controlling the general financial and administrative functions.

The position will report to the division's Managing Director and an immediate contribution to a stimulating and demanding environment is necessary.

The successful candidate will need to demonstrate a proven success in a commercial environment with high emphasis on direct sales and marketing.

Age: 28 to 35.

Qualifications: A.C.A./A.C.M.A. Degree preferable.

Reply: Box A8276, Financial Times
10 Cannon Street, London EC4P 4BY

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هكذا صدر الأصل

Accountancy Appointments

Planning Manager — Europe

Aged 30-35 **c.£18-20,000+car**

Our client, a Fortune 500 US multinational company, seeks a Planning Manager *to be responsible for the planning process within its European operations.*

The incumbent will actively participate with European Management in the development, implementation and co-ordination of marketing and strategic plans in addition to undertaking financial planning exercises, acquisition appraisals and project work. An element of travel to Europe and the USA will be involved.

The position is based at the Company's European Headquarters in London and reports to the Director of International Planning in the USA.

Prospective candidates will need to be highly numerate, good promoters of their ideas and will probably hold an accounting qualification and/or an MBA. Previous planning experience will be an advantage.

Interested candidates should telephone or write enclosing a CV and a note of their current salary to Harry Chryssaphes at EMF International, Northumberland House, 303-306 High Holborn, London WC1V 7JZ; Telephone 01-405 9581.

EMF International

ACCOUNTANTS of Outstanding Ability

LONDON **to £25,000 + CAR**

As an international management consultancy practice, the variety of our clients is matched only by the variety of our assignments. Because of expansion, we seek accountants of exceptional all-round ability who have the potential for future admission to partnership. We offer opportunities, often at the highest levels, to broaden your business and technical skills through exposure to our clients' problems.

Candidates will be in the age range 32-40 and will have already demonstrated achievement beyond the narrow accounting function. Other selection criteria will include a successful and responsible career to date and:

- An accounting qualification
- Effective oral and written communication skills
- An assured and confident manner

If you believe that you have these attributes, please send a career résumé, including salary history, quoting reference 2122, to John Magill.

Touche Ross & Co, Management Consultants

Hill House, 1 Little New Street, London EC4A 3TR. Tel: 01-353 8011.

A member of the Management Consultancies Association

Financial Controller

c £15,000 + car Nr. Crewe

Our client, Murray Vernon Limited, wishes to appoint a Financial Controller to operate and maintain the Company's accounting and administrative procedures. The company is one of the largest importers and exporters of processed milk products in the UK and is based at attractive offices some 3 miles from Crewe.

Essential activities of the post, which is newly created, include *responsibility for all* accounting procedures, including cash flow and cash control; foreign exchange control; Secretarial matters and general administration of the company's offices and staff.

Candidates should be qualified accountants in their early 30s with some post qualification experience outside the profession. They should be *practical accountants* who are also able to plan longer term strategy. They should be familiar with computer systems and competent enough to develop and install one. Experience in the *essential activities* listed above would be useful.

Starting salary is £15,000 plus a car, and other benefits include a non-contributory pension scheme, life assurance and BUPA.

Please write or telephone for a personal history form and job specification, quoting ref no 1370.

bhf

Anne Knell, Principal Consultant,
Binder Hamlyn Fry & Co.,
Executive Selection Division,
8 St. Bride Street,
London EC4A 4HR.
Tel: 01-353 3020.

SENIOR FINANCIAL PLANNER

£14,220 - £17,236 inc.

The Electricity Council is charged with co-ordinating the activities of the twelve Area Electricity Boards in England and Wales and the Central Electricity Generating Board and with advising the Secretary of State for Energy on all matters affecting electricity supply. The industry employs over 140,000 people and manages assets with a total value of over £33 billion. As a result of promotion, a unique opportunity has arisen in the financial planning unit of the Electricity Council for a young accountant with exceptional business skills.

The work of the unit is primarily concerned with advising senior management and the *Department of Energy* on the financial performance and prospects of the Industry based on information flows from all its constituent Boards. There are prospects for advancement to more senior posts within the Industry for those with potential.

The key attributes required are:

- ☐ A wide knowledge of modern accounting and analytical methods and some understanding of related economic theory.
- ☐ The ability to communicate clearly both orally and in writing.
- ☐ The initiative and drive required to work effectively with minimum supervision.
- ☐ Some exposure to financial forecasting, possibly including some computer modelling experience, in either the private or public sectors.
- ☐ Adaptability to work in diverse areas of the work of the unit.

You should be a suitably qualified accountant possibly with a degree in a related subject. Presentation and inter-personal skills are as important as technical ability.

If you consider that you meet these requirements please write in confidence giving brief personal details and present salary quoting Ref: 47/FT to:-

D. Webb, Recruitment Officer,
The Electricity Council,
30 Millbank, London SW1P 4RD.

ELECTRICITY COUNCIL

FINANCIAL CONTROLLER

A Midlands-based engineering subsidiary of a profitable listed Group with group turnover in excess of £30m is seeking to recruit a first-class, self-motivated Financial Controller.

Supported by a small support team the tasks will be to manage the complete financial and certain commercial reporting systems including the development of improved computerised management information and costing systems. The successful candidate must have had exposure to shop-floor routines, be able to communicate clearly to a senior management team of varied disciplines and enjoy a challenging environment.

Salary: £13,000 plus benefits.

Age: 28/35.

Qualification: A.C.A./A.C.M.A.

Reply: Box A8278, Financial Times
10 Cannon Street, London EC4P 4BY

ACCOUNTANCY

FINANCIAL CONTROLLER **£14,000+**

Widely known hotel group seek a young Financial Controller for one of their self-accounting units. The role will encompass responsibility for financial/management accounts plus extensive commercial involvement. An ideal career move for a qualified ACCA/ACA, 26-30 with broad experience in the hotel industry. CITY. Ref SC.

CHIEF ACCOUNTANT **£13,500+**

The company is fast moving, expanding by acquisition and a leader in the public relations field. It seeks a *qualified Chartered Accountant, 26-30, technically up to* date to take charge of five operating units. The role is pressurised therefore a clear mind in conjunction with an aggressive approach is essential. W. END. Ref: SC.

EUROPE – or the WORLD **to £13,000**

Unquestionable opportunity to visit far away places in a professional role. Acting as Operational Auditor for this extensive American computer company. The role will offer career development, training and support in return for dedication and enthusiasm. Candidates should be qualified ACA's aged 24-28 seeking an international career path. MIDDX. Ref: SC.

GROWTH ENVIRONMENT **c.£13,000**

Expansion has created the need for a young qualified accountant to be responsible for key tasks at the centre of this high technology company. The role encompasses a broad range of financial accounting, full liaison plus excellent prospects for the right candidate. SOUTH BUCKS. Ref: SC.

ROBERT HALF

LEE HOUSE, LONDON WALL, EC2. 01-606 6771

FINANCIAL CONTROLLER NIGERIA

U.K. based Group with expanding operations in Nigeria, requires an experienced Chartered Accountant to control the accounting activities of the Group, which has diverse interests. Particular emphasis is placed on:—

(1) The improvement of present systems to ensure effective management control.
(2) The development of a pricing structure for two main trading Companies and a Construction Company.
(3) The improvement of revenue collection.
(4) Internal audit and management reporting.
(5) The recruitment, guidance, supervision and training of local staff.

The Financial Controller will hold an executive position for two years initially, but will step back into an advisory role once local staff have been trained to professional standards. Applicants, who should preferably be single, should possibly have experience of developing countries and be conversant with management reporting to a U.K. base.

Please send your curriculum vitae to:

P.O. Box 18,
Leatherhead,
Surrey KT22 8JN

and indicate your present salary and earliest availability.

FINANCIAL ACCOUNTANT for City stockbrokers

£12,000–£15,000+Benefits

Our Client is a leading firm of stockbrokers with offices located in the City of London. They are seeking a qualified accountant to take charge of a small team of staff responsible for providing financial and management accounting services.

They are currently developing and introducing new accounting systems and it would therefore be an advantage if applicants have experience of computer systems, allied to an ability to analyse problems and present recommendations clearly.

Suitable applicants are likely to be aged 25–30. This is a position offering excellent scope for development and career advancement within the firm for the right person.

Please apply in writing to Box 375. Streets Financial Limited, 18 Red Lion Court, Fleet Street, London EC4A 3HT. All applications will be treated with the strictest confidence.

Corporate Finance Executives

Merchant Bank

Our Client, an Accepting House, requires two exceptional young Corporate Finance Executives for this rapidly expanding department.

Successful candidates, in their mid-twenties, should be Chartered Accountants with one or two years' post-qualification experience, preferably in the investigations/mergers area with a major accountancy practice.

The personality to fit into a busy team, accept responsibility and develop rapidly is essential.

A salary in the £12,/14,000 range is envisaged with normal banking benefits.

Please reply in confidence to Keith Fisher at Overton Shirley and Barry (Management Consultants), Second Floor, Morley House, 26 Holborn Viaduct, London EC1A 2BP. Tel: 01-583 1912.

Overton Shirley and Barry OSB

Director International Audit

to £20,000

Our client is a publicly quoted U.S. multi-national company with sales in excess of $500m in serving the *vision care and instruments markets. Due to an internal promotion* we seek a Director of Internal Audit who will be based at Feltham, Middlesex, with responsibility to the Director of Corporate Audit in the U.S. for the audit *of financial, operational and data processing functions* in 14 countries located in Europe and South Africa, with the emphasis on operational audits.

The ideal candidate will be a qualified accountant with at least 10 years audit and financial business background, with some experience in a multi-national environment, preferably with a U.S. company. *Knowledge of European and U.S. accounting practices* and tax strategy would be an advantage. Freedom to travel extensively is important as is an ability to work with minimal supervision. Tact, tenacity and a diplomatic manner are vital; some linguistic talent is desirable. The remuneration package is negotiable around £20,000 p.a.

Applicants should write initially in confidence, quoting reference CS/104 to:-

CURZON SEARCH

EXECUTIVE RECRUITMENT CONSULTANTS
PO Box 23 Haslemere, Surrey, GU27 3RY.

FINANCIAL CONTROLLER FOR ADVERTISING COMPANY

Central London c. £15,000 + Car

This is a key position within a medium sized, well established Company operating in the St. Pauls area of London. The opportunity is to take control of a small accounting operation where the responsibilities include Management Accounting, Credit Control and Budgeting together with the normal Financial Accounting routines. Opportunities for advancement into general management are considerable.

Working in a stimulating environment, the incumbent will be directly responsible to the Managing Director, will take part in forward planning, and be expected to be creative and have a strong commercial bias.

Candidates will be Chartered Accountants in the age group 25-35 and should apply with full career details to date to:

The Chairman, Media Sales Bureau Ltd
90-93 Cowcross Street, London EC1

Replies should be marked 'Strictly Confidential'

Budget Controller

Internal promotion has created a vacancy for a business graduate with accountancy and computer skills to join the UK operation of this major multinational pharmaceutical company, reporting directly to the head of Planning and Administration.

Applicants must have had at least 2 years' experience in a business function within industry.

For job profile, benefits package and application form telephone Rita Hardy on 01-890 1366, or write to her at:

SANDOZ PRODUCTS LIMITED
Sandoz House
98 The Centre
Feltham
Middlesex TW13 4EP.

SANDOZ

APPOINTMENTS WANTED

ROOM AT THE TOP?

Following take-over the ex-Chairman and Managing Director of a quoted company seeks a fresh opportunity. Background includes finance and operational experience in a profitable manufacturing group, £250M turnover and 15,000 employees. Aged 47 and very fit. Please write Box A8249, Financial Times, 10 Cannon Street, London EC4P 4BY.

CHARTERED ACCOUNTANT

trained by large City firm, former merchant banker, stock exchange investment, corporate finance and investigation specialist, seeks position with City firm in one or more of these areas.

Write Box A 8279, Financial Times
10 Cannon Street, London EC4P 4BY

AUSTRIAN

38, management experience, long term abroad, looks for new challenge overseas. Accomplished assignments in purchasing, logistics, transport

Please contact Box A8228
Financial Times
10 Cannon Street, EC4P 4BY

GENERAL APPOINTMENTS

ACCOUNTANCY

The Financial Times proposes to publish a Survey on the above. The provisional dates and editorial synopsis are set out below.

Publication Date: November 8 1983
Copy Date: October 28 1983

1. **Professional structure** The UK's largest accountancy body, the Institute of Chartered Accountants in England and Wales, is currently agonising over its future structure in the wake of the Tricker Report, while the small Institute of Cost and Management Accountants has sought permission to up-grade the title of its members to that of chartered management accountants. A discussion of rivalries within the overall context of a relatively prosperous and growing profession.
2. **The big firms** The wave of mergers within the UK has slowed but international links continue to be forged, especially in Europe.
3. **Accounting standards** The pace of the accounting standards programme has slowed markedly. The inflation accounting standard SSAP 16 is to be greatly simplified and the introduction of SORPs—statements of recommended practice—it intended to give greater scope for particular industries to follow accounting practices which are specific to their needs.
4. **Small firms** Sole practitioners and small firms generally remain busy despite the recession but are becoming increasingly anxious about developing competition from the clearing banks and other institutions in areas like tax advice and small audits.
5. ***Public sector*** *Central and local government is an important direct employer of accountants and* is also a big customer for the large and medium-sized accounting firms. A discussion of current priorities within the public sector.
6. **Training in industry** The smaller accountancy bodies have long encouraged training in industrial and commercial companies and the English Institute is now considering proposals that members may qualify outside professional firms but it is a controversial subject that is likely to split opinion within the Institute.
7. **Technology** Electronics have arrived with a vengeance, as the bias of the Accountants' Exhibition towards electronic system shows. A discussion of how the computer and the development of information technology are changing the role of the accountant.
8. **New directions** From its base in the auditing of company accounts, the profession has spread into management accounting and management consultancy and is now developing new concepts like value for money auditing but the broadening scope may force changes in professional attitudes, for instance towards advertising and promotion.
9. **Insolvency** A century ago insolvency business generated the bulk of the income of most accounting firms and the current recession has led to a revival in this activity. An analysis of the latest trend in this area.
10. **The European Community** The programme of company law directives continues to highlight the differences in national approaches to accounting and disclosure but there are rapid structural changes taking place in the profession, especially in Southern Europe.

For further information and advertising rates contact:
Carmina Leon or Mike Hills
Financial Times, 10 Cannon Street, London EC4P 4BY
Tel: 01-248 8000 Telex: 885033 FINTIM G

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

The size, contents and publication dates of Surveys in the Financial Times are subject to change at the discretion of the Editor

COMPANY NOTICES

Gencor Group
Gold Mining Companies

DIVIDEND DECLARATIONS

NOTICE IS HEREBY GIVEN that dividends have been declared by the undermentioned companies, payable to members registered at the close of business on 23 September 1983.

The registers of members of the companies will be closed from 26 September 1983 to 7 October 1983, both days inclusive.

The dividends are *declared in the currency of the Republic of South* Africa. Payments from the United Kingdom office will be made in United Kingdom currency at the rate of exchange ruling on 31 October 1983, or the first day thereafter on which a rate of exchange is available.

Dividend warrants will be posted on 10 November 1983.

In the case of non-resident shareholders, tax of 15 per cent will be deducted.

The full conditions of payment may be inspected at or obtained from the London office.

The companies mentioned are incorporated in the Republic of South Africa	Class of Share/Stock Unit	Dividend No. (Final)	Amount per Share/Stock Unit (cents)	Total Dividend for the year (cents)
Bracken Mines Limited	Ordinary	42	37	64
Kinross Mines Limited	Ordinary	31	109	107
Leslie Gold Mines Limited	Ordinary	38	30	59
Unisel Gold Mines Limited	Ordinary	8	62	112
Winkelhaak Mines Limited	Ordinary	47	225	411

By order of the Boards
per pro. GENCOR (UK) LIMITED
London Secretaries
L. J. Baines

London Secretaries:
30 Ely Place
London EC1N 6UA

London Transfer Office:
Hill Samuel Registrars Limited
6 Greencoat Place
London SW1P 1PL

7 September 1983

MITSUBISHI ELECTRIC CORPORATION

INTERNATIONAL DEPOSITARY RECEIPTS
Issued by
MORGAN GUARANTY TRUST CY OF NEW YORK

A distribution of $1.24 per depositary share less any applicable taxes will be payable on and after August 8, 1983 upon presentation of coupon No. 25 at the office of any of the following depositaries:
MORGAN GUARANTY TRUST CY OF NEW YORK
—New York, 30, West Broadway
—Bruxelles, 35, Avenue des Arts
—London, 1, Angel Court
—Paris, 14, Place Vendôme
—Frankfurt, 46, Mainzer Landstrasse
CREDIT INDUSTRIEL D'ALSACE ET DE LORRAINE, Grand Rue, 103, Luxembourg.
Net rate:
$1.054 (after deduction of 15% Japanese withholding tax):
$0.992 (after deduction of 20% Japanese withholding tax):

OFFICIAL NOTICE

The loss has been reported to us of the following London Metal Exchange Warrants, and we have been asked to issue duplicates:
Warrant No 62971—10 Bundles—234 Copper Cathodes — BRAND: UMK. Weight: 25.050 Kilos:
Warrant No. 62974—9 Bundles—203 Copper Cathodes — BRAND: UMK. Weight: 25.046 Kilos:
Warrant No. 63009—9 Bundles—213 *Copper Cathodes — BRAND:* UMK. Weight: 25.065 Kilos.
Anyone claiming to be entitled to these goods is invited to enter protest by means of Summons against the delivery of the goods, or the issue of duplicate Warrants.
C. STEINWEG N.V.,
Quiand 26,
B 2030 Antwerp,
Belgium.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN RYOBI LIMITED

We are pleased to announce that copies of the Semi-Annual Report for the half-year ended May 31, 1983 of Ryobi Limited are now available to EDR holders upon application to the Depositary and the Depositary's Agent, The Bank of Tokyo (Luxembourg) S.A., Luxembourg.
THE BANK OF TOKYO TRUST COMPANY
LONDON (Depositary)
September 8, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN NIPPON SHINPAN CO., LTD.

We are pleased to confirm that copies of the Annual Report of Operations for the 56th Fiscal Term (from April 1, 1982 to March 31, 1983) of Nippon Shinpan Co., Ltd., are now available to EDR holders upon application, at the offices of the Depositary, Citibank, N.A., 336 Strand, London WC2R 1HB and the Agent, Citibank (Luxembourg) SA., 16 Avenue Marie Therese, Luxembourg.
CITIBANK N.A.
London Depositary
September 8, 1983.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN TSUMURA JUNTENDO, INC.

We are pleased to confirm that copies of the Annual Report for the year ended 31st March 1983 of Tsumura Juntendo, Inc., are now available to EDR holders upon application at the offices of the Depositary, Citibank, N.A., 336 Strand, London WC2R 1HB, and the Agent, Citibank (Luxembourg) S.A., 16 Avenue Marie Therese, Luxembourg.
CITIBANK N.A.
London Depositary
September 8, 1983.

DAVIES AND METCALFE PLC

NOTICE IS HEREBY GIVEN that the transfer books of the company will be closed from 19th September, 1983, to 21st September, 1983, both dates inclusive.
By Order of the Board
R. ALLEN, Secretary
Injector Works,
Romiley, Cheshire.

H. J. HEINZ COMPANY LIMITED

NOTICE IS HEREBY GIVEN that the Transfer Books of the 3.15% (formerly 4½%) Redeemable Cumulative Preference Shares of this company will be closed from 1-30 October 1983, both dates inclusive.
J. A. ROSS,
Company Secretary.
Hayes Park,
Hayes, Middlesex.
2 September 1983.

CITY OF OSLO
9¼% 1975/1985 BONDS
UA 25,000,000

On August 25, 1983 Bonds for the amount of UA 3.050.000 have been drawn for redemption in the presence of a Notary Public.

The Bonds will be reimbursed coupon due October 15, 1984 and following attached on and after October 15, 1983.

The drawn Bonds are those, NOT YET PREVIOUSLY REDEEMED, included in the range beginning at: 12969 up to 16545incl.

Amount purchased on the market: UA 200.000.

Amount unamortized: UA 9.000.000.
Outstanding drawn Bonds:

3 to 6 Incl.
253 and 254
256 to 258 Incl.
295 to 297 Incl.
398 and 419
436
476 to 482 Incl.
506
532 to 534 Incl.
548 to 550 Incl.
553 to 562 Incl.
763 and 764
868
1413 to 1420 Incl.
1582 to 1591 Incl.
4111
4792 to 4794 Incl.
4976 to 4987 Incl.
4991 and 4992
5206 and 5207
5287 and 5288
5456
5509 to 5518 Incl.
5664
9339 to 9343 Incl.
9372 to 9380 Incl.
9386 to 9388 Incl.
9395
9398 and 9399
9419 and 9420
9431 to 9440 Incl.
9457 to 9470 Incl.
9475
9480 and 9481
9485 to 9487 Incl.
9491 and 9492
9494
9498
9510 to 9512 Incl.
9516
9524 to 9527 Incl.
9537
9545 to 9547 Incl.
9549 to 9554 Incl.
9563 to 9565 Incl.
9573 to 9586 Incl.
9603 to 9606 Incl.
9613
9623 to 9630 Incl.
9707 and 9708
9711 and 9712
9746
9751 to 9756 Incl.
9765 to 9769 Incl.
9777 and 9778
9782 to 9792 Incl.
9805 to 9808 Incl.
9812 to 9817 Incl.
9850 to 9859 Incl.
9902 to 9906 Incl.
9953 to 9958 Incl.
9959
9963 and 9964
9968
9970 and 9971
9973
9983 to 9991 Incl.
10002 to 10005 Incl.
10009 to 10013 Incl.
10025 to 10027 Incl.
10037 to 10043 Incl.
10050 to 10055 Incl.
10077
10087 to 10090 Incl.
10111
10136 to 10149 Incl.
10210
10241 to 10243 Incl.
10245 to 10253 Incl.
10273
10280 to 10284 Incl.
10287 and 10288
10300 to 10303 Incl.
10331 and 10332
10336 to 10345 Incl.
10347 to 10365 Incl.
10379 and 10380
10400 and 10401
10404 to 10407 Incl.
10413 to 10418 Incl.
10421
10423 to 10428 Incl.
10431
10445
10487 and 10488
10495 to 10498 Incl.
10526 to 10532 Incl.
10535 to 10546 Incl.
10565 to 10569 Incl.

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN MINEBEA CO. LTD.

We are pleased to confirm that copies of the Semi-Annual Report for the six months ended March 31st, 1983, of Minebea Co. Ltd., are now available to EDR holders, upon application to the offices of the Depositary, Citibank, N.A., 336 Strand, London WC2R 1HB and the the Agent, Citibank (Luxembourg) S.A., 16 Avenue Marie Therese, Luxembourg.
CITIBANK N.A.
London Depositary
CSSI Dept
September 8, 1983.

CONTRACTS AND TENDERS

Avis de Preséléction
Preparatoire à un Appel d'Offres Internationa Restreint
Pour la fourniture de piecès de rechange selon
Cahier Spécial des Charges OR/SGMTP/005/CA/83

La République du Zaïre a obtenu un prêt de l'I.D.A. (International Développement Association) en vue de financer partiellement le projet d'entretien routier de l'Office des Routes.

Les sommes accordées au titre de ce prêt seront utilisées pour effectuer les paiements prévus au titre du marché pour lequel le présent avis de présélection est effectué.

Objet de cette présélection

Lot 1 — Pièces pour Bulldozers et Chargeurs Komatsu de modèle D 65A et D 57S.
Lot 2 — Pièces pour Bulldozers et Chargeurs Case de modèle W14, W18, 1150B.
Lot 3 — Pièces pour Bulldozers, Chargeurs et Niveleuses Caterpillar de modèle D6D, D7, 920, 930, 950, 12F, 120B, 955L.
Lot 4 — Pièces pour Niveleurses Champion et moteurs GM de modèle: 562 et 720 avec moteurs 4.71.
Lot 5 — Pièces pour Camion de marque Isuzu de modèle TXD45L, TSD45 et minibus DBR 370.
Lot 6 — Pièces pour Camions de marque Hino KY200.
Lot 7 — Pièces pour Camion de marque Magirus de modèle 130D et 232D.
Lot 8 — 30 moteurs Marins Lister type HR3 MGR3 refoidis par air à *démarrage manuel* avec Inverseurs-réducteurs Lister de rapport 3/1 et arbres porte Hélice 3 pales diamèhre 27" (pouces) et accessoires de commandes.
Lot 9 — 6 moteurs Marins Lister type HR4 MGR refroidis par air *avec démarreur manuel à inertie* avec inverseurs réducteurs TWIN DISC MG506 de rapport 2,96/1 et accessoires identiques au lot no. 8 sauf Hélice diamètre 28" (pouces).
Lot 10 — 6 moteurs Marins Lister type HR6 MGR refoidis par air *avec démarreurs manuel à inertie* et inverseurs réducteurs TWIN DISC MG506 de rapport 2.98/1 et accessoires identiques au lot no. 8 saut Hélices diamètre 31" (pouces).

Documents justificatifs à envoyer par les candidats à la présélection.

—Fournir la preuve qu'il sont bien des vendeurs agréés par le constructeur.
—Certifier qu'ils ne fourniront à l'Office des Routes que des pièces d'origine accompagnees d'un certificat.
—Fournir la preuve qu'il sont déjà fourni des rechanges à un ou plusieurs Pays Africains et dans quelle mesure.
—Fournir toutes les informations sur leur organisation commerciale.
—Donner la liste des lots pour lesquels, étant vendeurs agrés, ils désirent soumissioner.
—Fournir leurs garanties professionnelles et financières c.à.d. présentation d'attestation bancaire et certificat de non faillite.

Origine des fournitures

Les pièces de rechanges proposées devront obligatoirement provenir et être produites dans les territoires des Etats participants ou pays membres de l'IDA ou de la Suisse.

Envoi des documents de présélection

Les plis devront, soit être envoyés par la poste, sous envoi recommandé, avec accusé de réception, à l'adresse du:

Citoyen Président du Conseil des Adjudications
de l'Office des Routes
B.P. 10.889 à Kinshasa I, (République du Zaïre)

soit remis de la main à la main, contre accusé de réception au:

Citoyen Secrétaire Permanent du Conseil
de Adjudications de l'Office des Routes,
Direction Générale de l'Office des Routes
bâtiment situé avenue ex. Descamps à
Kinshasa/Gombe.

Date limite de remise des plis: le 7-10-83.

PERSONAL

MOTOR CARS

CLASSIFIED RATES

	Per line £	Single column cm £
Commercial & Industrial Property	8.50	30.00
Residential Property	6.50	22.00
Appointments	9.00	31.50
Business, Investment Opportunities	8.50	30.00
Business for Sale/ Wanted	8.50	30.00
Personal	6.50	22.00
Motor Cars	6.50	22.00
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Contracts & Tenders	8.50	30.00
Book Publishers	—	net 14.00

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COURSES

FINANCIAL TIMES
Thursday September 8 1983

ØØ

Canadian warrants satisfy Euromarket appetites, Page 44

WALL STREET

Confident challenge to peak levels

THE CLIMB by Wall Street stocks continued yesterday, spurred on by sharp falls in interest rates in the credit sectors, *writes Terry Byland in New York.*

The renewed confidence in the outlook for rates and for a further strengthening of the U.S. economy was encouraged by favourable comments from Dr Henry Kaufman.

Yields on Treasury Bills fell by around 13 basis points, and the key long bond gained nearly a full point in price, with its yield down to 11.70 per cent. Increased retail demand was reported, and the Federal Reserve Board helped the banks' settlement day operations with a $1bn system repurchase agreement.

There was a substantial increase in turnover in the stock market which at one time challenged its recent peaks. Much of the interest was in the market leaders, however, and profit-taking reduced early gains.

The Dow Jones Industrial average closed 5.39 up at 1,244.11 on some 95.1m shares. Over the broad range of the market, share declines of 736 compared with gains of 870, and the over-the-counter market index ended a shade off.

Railway stocks were again in favour, contributing most of the gain in the Dow Jones Transportation index, since airlines were generally easier.

Norfolk and Southern led with a $2⅝ improvement to $67¼, CSX put on $1½ to $73 and Union Pacific added $¾ to $58. Burlington Northern which jumped $4 to $95 on Tuesday after completing its move to full ownership of El Paso, advanced a further $⅝ to $95⅝ but fell back to $94½ by the close.

Katy Industries, the machinery and haulage group which is the parent of the Missouri-Kansas-Texas railway company, awaiting a large scale investment by Cable and Wireless of the UK in long distance telecommunications, strengthened by $1 to $23½.

The major airlines, despite reporting over the past few days a healthy increase in traffic levels, lost their buying support. Pan American steadied at $7½ while TWA slipped $¾ to $26¾ and the less resilient Eastern shed $¼ to $7.

Earlier in the day, Eastern had filed a shelf registration for 5m shares.

General Dynamics was prominent among otherwise muted defence issues, adding $⅞ to $53⅛ after securing a Turkish Air Force contract worth up to $4bn. McDonnell Douglas, another contender for the same contract, fell $1⅛ to $50⅞.

Boeing's defence involvement plus a pending $860m civilian order from Qantas did not prevent its stock slipping $⅛ to $40⅞.

The carmakers were also out of favour. Chrysler came down $1⅛ to $28¾ after publication of the details of the latest wage agreement which narrows the pay differential between Chrysler and the other two major Detroit motor giants. General Motors fell $1¼ to $71⅞ and Ford $⅞ to $61⅛.

Chemicals, a laggard sector until recent weeks, showed Union Carbide $⅛ down at $71⅞ and Du Pont up $¼ to $54⅜, but Monsanto fell $1½ to $109⅜. Recommendations for chemical shares have come from Paine Webber and from First Boston.

National Semiconductor was a weak spot among the high technology issues, falling $2½ to $54⅛. A block of 250,000 shares changed hands at mid-morning at $54½.

IBM improved by $½ to $122⅜ as investors began to doubt reports of a delay in the launch of the Peanut personal computer. Shares in Apple Computer, which could suffer from IBM competition in the personal computer market, dipped $4¾ to $34⅛ in the over the counter market.

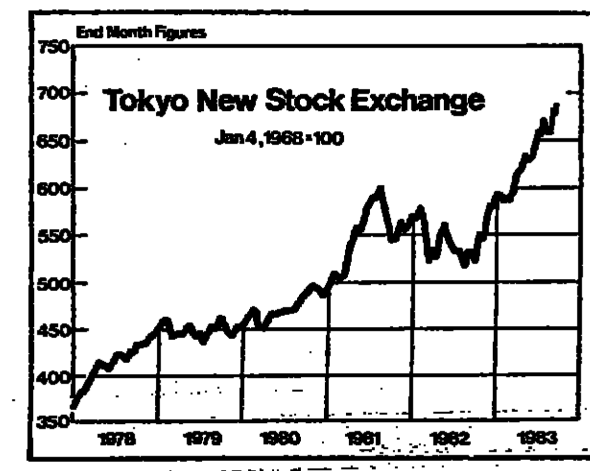
Elsewhere Campbell Soup, reporting a 21 per cent boost in final-quarter earnings, picked up $¾ to $55¼. Heinz, in contrast shed $⅞ to $43½.

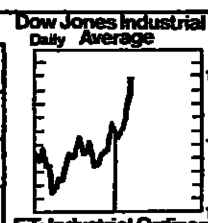
Credit markets were depressed at first by a rise in the Federal Funds rate to 9⅝ per cent, and the long bond dipped to 100 23/32. In early trading the Fed's system repurchase arrangements helped the market to recover but the Fed Funds rate remained high until later in the session when the Federal Reserve Board made a small $250m purchase of bills on behalf of a customer.

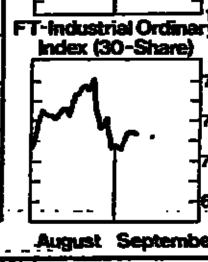
The long bond stood at 102 17/32, yielding 11.70 per cent, its best level since August 29. Three-month Treasury bills were at a discount of 9.06 per cent with the six-months at 9.27 per cent.

Municipal bonds traded quietly, awaiting the pricing of a $595m issue from Michigan Public Power Agency, the first such issue since the final invalidation of the contracts of the Washington Public Power Supply System. Corporate bonds remained sluggish.

KEY MARKET MONITORS







STOCK MARKET INDICES

NEW YORK	Sept 7	Previous	Year ago
DJ Industrials	1244.11	1238.72	914.87
DJ Transport	572.47	570.36	365.33
DJ Utilities	130.97	130.83	116.6
S&P Composite	167.96	167.89	121.37
LONDON			
FT Ind Ord	712.4	714.5	587.6
FT-A All-share	453.38	454.11	358.86
FT-A 500	490.80	491.80	396.65
FT-A Ind	441.04	441.88	364.98
FT Gold mines	684.5	685.5	347.0
FT Govt secs	79.93	79.71	78.65
TOKYO			
Nikkei-Dow	9355.66	9255.11	7209.45
Tokyo SE	688.53	682.44	539.19
AUSTRALIA			
All Ord.	725.1	725.4	496.6
Metals & Mins.	607.3	610.9	418.2
AUSTRIA			
Credit Aktien	55.26	55.29	48.62
BELGIUM			
Belgian SE	133.14	132.42	100.04
CANADA			
Toronto Composite	2562.7	2553.7	1631.6
Montreal Industrials	459.84	458.12	296.89
Combined	430.94	429.14	281.41
DENMARK			
Copenhagen SE	n/a	196.79	85.69
FRANCE			
CAC Gen	135.2	134.9	99.3
Ind. Tendance	143.7	144.0	113.7
WEST GERMANY			
FAZ-Aktien	312.94	313.75	222.1
Commerzbank	928.4	930.9	673.9
HONG KONG			
Hang Seng	938.87	921.33	1056.29
ITALY			
Banca Comm.	200.57	199.08	169.5
NETHERLANDS			
ANP-CBS Gen	139.4	139.8	87.5
ANP-CBS Ind	111.8	112.3	69.0
NORWAY			
Oslo SE	210.99	206.87	105.46
SINGAPORE			
Straits Times	978.42	972.48	664.87
SOUTH AFRICA			
Golds	490.8	969.5	617.2
Industrials	453.38	943.7	619.3
SPAIN			
Madrid SE	113.57	113.28	106.44
SWEDEN			
J & P	1522.86	1526.6	633.86
SWITZERLAND			
Swiss Bank Ind	340.7	338.0	248.1
WORLD	Sep 6	Prev	Yr ago
Capital Int'l	180.5	178.4	136.7

GOLD (per ounce)

	Sept 7	Prev
London	$413.625	$417.625
Frankfurt	$413.25	$418.25
Zurich	$413.50	$418.50
Paris (fixing)	$413.86	$420.69
New York (Sept)	$414.50	$412.50

* Indicates latest pre-close figure

CURRENCIES

	U.S. DOLLAR		STERLING	
(London)	Sept 7	Previous	Sept 7	Previous
$	–	–	1.4915	1.499
DM	2.687	2.6805	4.01	4.02
Yen	245.7	245.75	366	368.75
FFr	8.085	8.0675	12.055	12.09
SwFr	2.1805	2.1775	3.255	3.265
Guilder	3.006	3	4.485	4.50
Lira	1605.5	1596.5	2394	2392.5
BFr	54.07	53.79	80.65	80.65
C$	1.23125	1.23075	1.8365	1.845

INTEREST RATES

Euro-currencies (three month offered rate)	Sept 7	Prev
£	9 13/16	9¾
SwFr	4½	4½
DM	5⅝	5⅝
FFr	15	15
FT London Interbank fixing (offered rate)		
3-month U.S.$	10⅜	10 5/16
6-month U.S.$	10 9/16	10 7/16
U.S. Fed Funds	9½	9½
U.S. 3-month CDs	9.75	9.70
U.S. 3-month T-bills	9.08	9.17

U.S BONDS

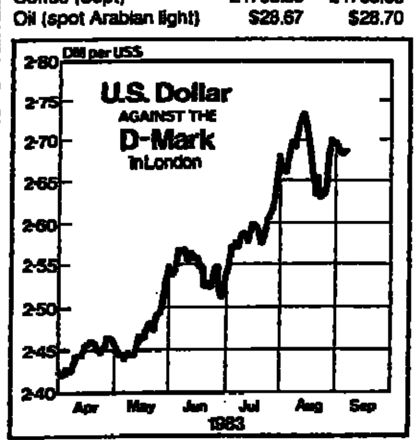
Treasury		Sept 7 Price	Sept 7 Yield	Prev Price	Prev Yield
10⅜	1985	100	10.58	100	10.58
10⅜	1990	94 13/32	11.94	95 5/32	11.94
11⅞	1993	98 21/32	12.05	98 25/32	12.05
12	2013	102 17/32	11.70	101 5/32	11.83

FINANCIAL FUTURES

CHICAGO	Latest	High	Low	Prev
U.S. Treasury Bonds (CBT) 8% 32nds of 100%				
September	71–13	71–14	70–17	70–23
U.S. Treasury Bills (IMM) $1m points of 100%				
December	90.49	90.50	90.26	90.31
Cert Deposit (IMM) $1m points of 100%				
September	90.39	90.42	90.27	90.29
LONDON				
Three-month Eurodollar $1m points of 100%				
September	90.05	90.05	89.97	90.00
20-year Notional Gilt £50,000 32nds of 100%				
September	102–19	102–22	102–14	102–05

COMMODITIES

(London)	Sept 7	Prev
Silver (spot fixing)	813.10p	825.60p
Copper (cash)	£1067.00	£1068.50
Coffee (Sept)	£1703.50	£1708.00
Oil (spot Arabian light)	$28.67	$28.70



LONDON

Sentiment dampened by BP spectre

SENTIMENT in the London equity markets was affected yesterday by speculation that underwriting of the proposed Government sale of British Petroleum shares was imminent.

A promising early advance by leading industrials was abruptly reversed as potential investors decided to defer purchases and the FT Industrial Ordinary Share index closed 2.1 lower at 712.4.

There was a dearth of smaller investors attempting to raise funds, and dealers felt that institutional and other large investors had already earmarked substantial cash resources for the BP issue.

The South African sectors of mining markets were only marginally unsettled by lower precious metal prices. *Details, Page 37; Share Information Index, 38–39*

AUSTRALIA

RESOURCE stocks, especially base metal miners and oil and gas shares, were weaker in Sydney trading yesterday where most shares ended mixed for the second consecutive day.

After a sharp initial drop, the All Ordinaries index climbed higher in the afternoon but still closed down 0.4 at 725.1.

SINGAPORE

A RALLY early in the day lost support in Singapore yesterday and the market slackened off after some profit-taking. The Straits Times index was unavailable because of a computer fault.

The banking, motor and shipyard sectors were unchanged to higher and most other sectors were mixed in generally thin trading.

Malayan Cement led the gains, adding 55 cents to S$9.15 on the strength of a rumoured one-for-one scrip issue.

HONG KONG

A TECHNICAL correction to a string of 10 consecutive lacklustre sessions took prices higher in Hong Kong's half-session yesterday. The Hang Seng index opened stronger and rose steadily to finish up 17.54 at 938.87.

Among the leading shares, Cheung Kong rose 10 cents to HK$7.40, Hongkong Land 13 cents to HK$3.45, Hongkong and Shanghai Bank 20 cents to HK$7.70 and Hutchison Whampoa 30 cents to HK$12.70.

SOUTH AFRICA

LIGHT trading volume in **Johannesburg** produced little variation in prices yesterday, with the main exception being Minorco, the minerals and resource group, which added 60 cents to R13.70.

CANADA

A STEADY moderate advance was recorded in **Toronto** trading yesterday generating early gains in most stocks.

Oil and metal issues were higher by midsession although golds, papers, consumer products and pipelines were slightly lower.

Industrials, utilities and banks posted pre-close gains in **Montreal**, although papers were lower.

TOKYO

Enthusiastic response to U.S. gains

BUYER interest in Tokyo rode Wall Street's swell to push the Nikkei-Dow average to a record high for a third consecutive session, with international populars and incentive-backed issues leading the pace, *writes Shigeo Nishiwaki of Jiji Press.*

The Nikkei-Dow key indicator of 225 select issues rose 100.55 to close at 9,355.66, recording the year's second sharpest gain, surpassed only by the rise of 159.33 on January 26. Volume swelled to 502.82m shares from Tuesday's 405.81m shares.

Sony attracted heavy buying orders, aided by a rise in its American depositary receipts (ARDs) and the joint development of an erasable, large-capacity magneto-optical laser memory disc with Kokusai Denshin Denwa (KDD), Japan's international telecommunications monopoly. The stock closed at Y3,750, a gain of Y360.

Foreign buying combined with expectations of improvement in business performance to send giant-capital stocks higher, with Nippon Steel advancing Y4 to Y171, Kawasaki Steel Y3 to Y174, Mitsubishi Heavy Industries Y13 to Y228 and Ishikawajima-Harima Heavy Industries Y8 to Y165.

Penta-Ocean Construction, which had attracted attention on expectations of its participation in a project to construct a second Panama Canal, came in for heavy trading by speculators. The issue climbed Y24 to Y345 in the morning and finished the day at Y390, up Y69, on a turnover of about 13m shares.

Other contractors firmed in sympathy, with Aoki Construction surging Y78 to Y978 and Waskachiku Construction Y38 to Y270. Conversely, such pace-setters as Yoshitomi Pharmaceutical lost Y130 to Y1,120 and Banyu Pharmaceutical Y70 to Y1,210.

Trading in the bond market remained slow throughout the day, as brokerage houses were busy coping with a tender for 6.9 per cent, three-year goverment bonds worth Y300bn by the Finance Ministry and the Trust Fund Bureau's buying operation in Y200bn worth of bonds for deals in one month or two in the Gensaki market.

On the over-the-counter market, selling by city and regional banks, and business corporations continued, although trust banks bought some bonds. Those bonds were purchased by major securities houses.

As a result, the yield on 7.5 per cent government bonds with nine years remaining to maturity rose to around 8.05 per cent from the previous day's 7.99 per cent, but fell later to 8.00 per cent.

EUROPE

Downtrend dominates dull day

HESITATION and caution typified trading in Europe yesterday, and even Tuesday's higher Wall Street closing seemed to have a minimal effect on the larger bourses where prices ended mixed to lower.

Issues tumbled from a firmer position before official trading in **Frankfurt** to close weaker amid speculation that the Bundesbank may raise official interest rates at its policy-making council meeting today. The Commerzbank index, calculated at midsession, dipped 2.5 to 928.4.

The motor sector resisted the downtrend better than other sectors, with Daimler-Benz adding DM 1 to DM 568.50, and BMW finishing 30 pfg higher at DM 375.30. VW eased DM 1.20 to DM 216.80.

Precious metals refiner Degussa fell DM 2 to DM 356, while in other metals, Preussag dropped DM 1.50 to DM 267 and Metallgesellschaft eased DM 1.50 to DM 208.50.

Prices of public authority bonds slipped by as much as 20 basis points in nervous trading ahead of the Bundesbank meeting.

Profit-taking set in after initial gains were recorded in **Paris** where investors sold in particular the stocks which had performed best over the last two days.

The announcement by M Mauroy, the Prime Minister, that a surtax on higher incomes would be included in the next budget combined with the dollar's renewed strength against the franc to increase the market's hesitant tone.

The metals and engineerings sectors showed some improvement, while oils, foods and construction stocks eased. Creusot Loire continued its recent strong rally, rising FFr 1.50 to FFr 63.50.

L'Oreal's recent gains began to dissipate and the shares eased FFr 29 to FFr 1,801.

Prices opened mainly steady in **Amsterdam** but then weakened as sellers, but few buyers, came forward.

The international sector closed mixed with Philips losing ground in slack trading to end at Fl 49.20, a drop of Fl 1.60. KLM dropped Fl 1 to Fl 147 while Akzo put on seven cents to Fl 76.70 and Unilever added three cents to Fl 216.50.

Europe's mostly downward trend was reversed in other centres where most stocks closed firm in selective trading.

It was the second day of a rally in **Brussels** and most dealers expected that the firmer tone would continue for the rest of this week.

There were strong gains in Delhaize, up BFr 325 to 4,700 and in Solvay, putting on BFr 110 to BFr 3,270.

In **Zurich**, prices opened mostly firmer in line with Wall Street's overnight performance, but later eased across the board because of the lack of follow-through buying.

Insurances and banks closed barely changed and in slightly higher financials, Pargesa rose SwFr 15 to SwFr 1,515.

A severe slump suffered by Generale Immobiliare Roma caused some uncertainty and nervousness in **Milan** but failed to dampen the generally bouyant mood. Olivetti, Montedison and Snia Viscosa in the industrial sector were among the big gainers of the day.

Madrid continued its modest uptrend for the second consecutive day.

NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
[illegible]										
38⅞	16½	Barnco	.60	1.6	11	34	37	37	37	
27	16	BkrIntl	.92	3.9		1799	24¼	23¾	23⅞	-⅝
27¼	17⅜	Baldor	.32	1.3	22	12	25⅛	24⅞	24⅞	
50⅝	6½	BaldwU	.22j		2	1104	7⅝	6⅞	7	
36½	20	BallCp	1.16	3.6	10	34	32⅞	32⅜	32⅜	-⅛
31⅝	19⅝	BallyMf	.20	.9	14	1073	23⅛	22½	22½	-¾
26⅞	6	BallyPk			27	84	18⅛	17¾	17⅞	-⅝
31¼	26⅝	BaltGE	3	10.	7	612	29½	29¼	29½	+⅛
47½	19	BanCal	1.20	2.6	13	227	45⅞	45¼	45½	+⅛
11⅞	8⅜	BncCtr	n.28e	3.0		13	9⅛	d9⅛	9⅛	-⅛
7⅝	5½	BanTex	.20	2.9	13	199	7⅛	7	7	
59	29⅞	Bandag	1	1.8	16	15	55	54⅞	54⅞	-⅛
23⅞	14⅜	BangP	.80	4.0		7	20⅛	20⅛	20⅛	-¼
47⅞	22⅛	BkBos	2.12	5.4	5	764	39⅛	39⅛	39½	
23½	2½	Chry	wt			2717	18⅝	15⅞	16⅝	-1½
34	9⅝	Chrys	pf			571	33½	33⅛	33⅛	-¼
33½	20¼	Chrch	s.72	3.0	11	842	24¼	24	24¼	-⅛
41	26⅝	CinBell	2.92	8.0	8	44	37	36⅝	36⅝	-¼
20	16½	CinGE	2.16	12.	7	742	17⅞	17⅝	17½	+⅛
34	28½	CinG	pf 4	13.		z10	30	30	30	-¼
40	33½	CinG	pf4.75	13.		z200	35½	35½	35½	-2¼
62⅝	52	CinG	pf7.44	14.		z50	54	54	54	-3⅛
78⅝	65⅝	CinG	pf9.28	14.		z30	67	67	67	-1¼
81¼	68	CinG	pf9.52	14.		z100	70	70	70	-1½
39	21⅛	CinMil	.72	2.4		139	30¼	29⅝	30⅛	+⅛
46⅞	23½	Citicrp	1.88	5.0	6	9464	38	35⅞	37½	+1⅛
87½	75¼	Citicp	pf6.94e	8.1		50	85½	85½	85½	
39⅝	20⅛	CityInv	1.80	5.1	10	1345	35½	34¼	35	-¼
24	20½	DukeP	2.36	11.	7	2585	22½	22⅛	22⅛	+⅛
74	58⅝	Duke	pf8.20	12.		z80	67	66½	66½	-1
26	22	Duke	pf2.69	11.		248	24⅛	24½	24⅝	
34⅛	28½	Duke	pf3.85	12.		8	31⅞	31¼	31⅞	+⅛
74	61¼	Duke	pf8.28	12.		z80	67	67	67	-2
70	39⅝	DunBr	s1.60	2.5	23	236	64¼	63½	63½	-1½
18⅛	13⅜	DuqLt	2	12.	9	849	16⅛	15⅞	16⅛	+⅛
19½	15½	Duq	pfA2.10	13.		z300	16⅛	16	16⅛	+1
17⅛	14⅜	Duq	prK2.10	14.		3	15⅝	15½	15½	-⅛
20	15⅝	Duq	pr 2.31	12.		z200	18½	18⅛	18½	+½
25¼	21½	Duq	pr 2.75	12.		z400	23½	23½	23½	
61¼	49½	Duq	pf 7.20	13.		z900	56⅛	55	55	+⅛
17	11⅝	DycoPt	.24	1.7	9	30	14⅛	14⅛	14⅛	-⅛
23⅛	6⅝	DynAm	.20	1.0	14	42	20⅛	20	20⅛	+⅛
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AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
22⅞	6½	AAV	.32	2.2	13	14	14⅝	14⅛	14⅝	+ ¼
6⅛	1½	ATI				139	3⅞	3¼	3¼	
12¼	2	AcmePr			11	17	7⅝	7⅜	7⅜	+ ⅛
19½	10¼	AcmeU	s.32	2.0	19	22	16⅞	16½	16⅞	- ⅛
14½	1½	Action	s		9	109	11¾	11⅝	11⅝	- ⅛
12	6⅛	Actons	.11	1.3	38	64	8	7⅞	7⅞	- ⅛
6⅞	1¼	Actn	wt			15	4⅞	4	4⅞	
8	1⅛	AdmRs				5	5⅞	5⅛	5⅞	
30⅞	13	AdRust	s.10	.4	16	88	25⅞	25	25	- ¼
28⅞	14¼	Adobe	.20	.8	17	27	24¾	24⅛	24⅞	- ⅞
5⅛	2	AegisCp			13	123	3⅞	3⅝	3¾	+ ⅛
24⅞	10⅞	Aerflx	.5		19	54	18⅞	18⅛	18¾	- ¼
7	3¼	Aeronca			8	190	5	4⅞	4⅞	- ⅛
32½	9⅞	AfilHsp	.36	1.4	12	3	26⅝	26½	26½	+ ⅛
45	17⅞	AflPb	s.64	1.6	17	256	39	38¾	39	
17½	5⅞	AltSix			12	35	13¾	13¾	13¾	
15½	5⅞	AirExp				88	6¾	6⅝	6⅝	- ⅛
6⅞	4⅞	Alamc	n		12	77	5⅞	5⅝	5⅝	- ⅛
23⅞	4	AlbaW	.15e	.9	14	6	16¾	16⅝	16⅝	- ¼
12¾	3	AlnTr	s			11	7⅞	7⅞	7⅞	- ⅞
10½	5¼	AlohaA				41	7⅞	7⅞	7⅞	- ¼
28⅞	13⅝	Alpnd	s.05	.3	26	145	19½	19¼	19¼	+ ¼
22	8¾	Altamil	.40	1.8	12	31	22	21⅞	21⅞	
1⅞	½	Altec				7	1⅛	1⅛	1⅛	- ⅛
10⅞	4⅞	Altec	pf			1	9⅞	9⅞	9⅞	+ ⅛
2⅞	1⅛	Altex				438	2⅞	2	2⅞	+ ⅞
11-16	1-16	Altex	wt			98	9-16	½	9-16	+ ½
32½	7⅞	AlzaCp				1252	21½	20⅝	21½	+ ⅝
29⅞	11⅛	Amdhl	s.20	1.1	51	1413	18⅝	18⅛	18½	- ⅛
25⅞	5⅝	Amedc	s.08	.4	25	83	20	19¾	20	+ ¾
7½	3½	ABilt	n.15	2.5	93	6	6	6	6	- ⅛
5	1¼	AmCap				32	3¼	3⅛	3⅞	
44¾	12⅞	AExp	wt			126	30½	29¾	30½	+ 1
15½	7½	AIsrael			3	29	8⅞	8¼	8⅞	+ ⅛
19⅞	9	AMzeA	.52	3.2	62	40	16⅞	15½	16½	+ ¾
18¼	8⅞	AMzeB	.52	3.4	58	9	15⅜	15	15½	- ⅛
19¼	3	AMBId	s			677	8⅞	7⅞	8	- ½
38½	18½	AMotin	.25	.8	12	139	31⅞	31¼	31¼	- ½
60⅞	47¼	AmPetf	3.20	5.4	18	3	59	59	59	- ¼
8⅞	3⅞	APlan				208	8⅞	6⅞	8⅞	+ ¼
20⅞	10⅞	APrec	.28	1.9	17	6	14⅞	14¾	14⅞	
9	3⅞	AmRlty			68	1	[illegible]	[illegible]	[illegible]	

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NEW YORK STOCK EXCHANGE COMPOSITE CLOSING PRICES

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[illegible]

12 Month High	Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
22	14¼	WkfRe	g1.32			74	20¼	19⅞	20	+ ⅛
30¼	17⅝	WICSv	s.36	1.3	16	119	27	26⅝	27	+ ⅝
47⅞	19½	WalJm	1.20	3.4	8	1800	36½	35¾	35½	- ¼
36¼	16⅞	Warnc	s.70	2.4	11	15	28⅞	28⅝	28¾	+ ⅛
59½	19⅞	WmCm	1	4.4		4167	23½	22⅞	22⅞	+ ⅛
35	21⅝	WarnL	1.40	5.1	12	4141	27⅞	27⅛	27½	- ½

Continued on Page 36

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week but not the latest trading day. Where a split or stock dividend amounting to 25 per cent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a—dividend also extra(s). b—annual rate of dividend plus stock dividend. c—liquidating dividend. cld—called. d—new yearly low. e—dividend declared or paid in preceding 12 months. g—dividend in Canadian funds, subject to 15% non-residence tax. i—dividend declared after split-up or stock dividend. j—dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k—dividend declared or paid this year, an accumulative issue with dividends in arrears. n—new issue in the past 52 weeks. The high-low range begins with the start of trading. nd—next day delivery. P/E—price-earnings ratio. r—dividend declared or paid in preceding 12 months plus stock dividend. s—stock split. Dividends begins with date of split. sls—sales. t—dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u—new yearly high. v—trading halted. vi—in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd—when distributed. wi—when issued. ww—with warrants. x—ex-dividend or ex-rights. xdis—ex-distribution. xw—without warrants. y—ex-dividend and sales in full. yld—yield. z—sales in full.

WORLD STOCK MARKETS

AMERICAN STOCK EXCHANGE CLOSING PRICES

Continued from Page 35

NEW YORK CLOSING PRICES

Continued from Page 35

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

SPAIN

HONG KONG

GERMANY

SWEDEN

SINGAPORE

AUSTRIA

SOUTH AFRICA

Nedbank	14.25	-0.25
OK Bazaars	24.5	+0.25
Protea Hldgs	3.1	+0.05
Rembrandt	23.25	0.25
Rennies	14	...
Rustenburg	14.5	...
Sage Hldgs	6.5	...
SA Brews	7.7	...
Smith C.G.	23	-0.25
Tongaat Hulett	9.1	-0.1
Unisec	5.65	-0.05

BELGIUM/LUXEMBOURG

SWITZERLAND

JAPAN

ITALY

NOTES — Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL	Sep 7	Sep 6	Sep 5	Sep 2	1983 High	1983 Low
Industrials	459.89	458.12	458.2	458.2	493.88(5/5)	329.12(4/1)
Combined	430.94	429.14	422.29	422.29	429.14(6/9)	318.45(5/5)
TORONTO Composite	2562.7	2553.7	2512.3	2512.3	2553.7(6/9)	1948.8(4/1)

U.S. INDICES: CLOSING VALUES. YESTERDAY'S CANADIAN INDICES: LATEST AVAILABLE

SWITZERLAND SwissBankCpn. (31/12/58)	340.7	338.0	336.9	335.5	347.0 (4/8)	294.4 (4/1)
WORLD Capital Intl. (1/1/70)		180.5	178.4	177.7	182.7 (22/6)	154.5 (5/1)

(**) Saturday Sept. 3: Japan Dow 9224.77. TSE 679.55.

Base values of all indices are 100 except Australia All Ordinary and Metals—500. NYSE All Common—50; Standard and Poors—10; and Toronto—1,000, the last named based on 1975. † Excluding bonds. ‡ 400 Industrials. § 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

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LONDON STOCK EXCHANGE

MARKET REPORT

BP sale rumours reverse early advance in equities but Gilts move up impressively

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Aug 15	Sept 1	Sept 2	Sept 12
Sept 5	Sept 15	Sept 16	Sept 26
Sept 19	Sept 29	Sept 30	Oct 10

* "New-time" dealings may take place from 9.30 am two business days earlier.

Speculation that underwriting of the proposed Government sale of British Petroleum shares was imminent affected sentiment throughout London equity markets yesterday. A promising early advance by leading industrials was abruptly reversed as potential investors decided to defer purchases, assuming that the size of the issue and its resulting heavy drain on available investment funds might pose a threat to existing values.

Dealers reported virtually no sign of smaller investors attempting to raise funds, and held the view that institutional and other large investors had already earmarked substantial cash resources for the BP issue.

Nevertheless, the effects on sentiment were quite marked as illustrated by the early movements in the FT Industrial Ordinary share index. Up 3.6 at the first calculation, the index three hours later was showing a net fall of over four points. It recovered after-hours, thanks to New York strength early yesterday, to close 2.1 down on balance at 712.4.

Of the 30 index constituents, seven managed to retain gains with BICC outstanding on much better-than-expected interim results. Tate and Lyle were quoted ex the rights issue and both the old and new nil-paid classes of stock performed well.

Gilt-edged markets were far from overshadowed by equities. The Chancellor's warning that the purge on public sector spending would continue attracted increased investment support, mainly domestic but some from overseas. With official supplies of the £200m tranche of Treasury 11¾ per cent 2003-07 exhausted after-hours the previous evening, the Government broker sold some of the £300m tranche of Treasury 12 per cent 1995 in markets showing signs of stock shortages.

Although slightly below the day's highest, closing quotations of selected longs were showing gains of a full point. Rises among the shorts were much less and index-linked stocks, slightly firmer initially, reacted after the 3.30 pm announcement of fresh Government funding via the issue of tranches of £100m each of three longer-dated issues.

Interim trading statements from Sun Alliance and Phoenix dominated proceedings in Composite Insurances, although Eagle Star continued to claim a fair amount of attention on talk that Allianz Holdings may sell its 28 per cent holding in the company to a South African concern. On the trading front, Sun Alliance's interim profits came at the bottom of the range of estimates and the shares eased ¼ to £12⅞. The Phoenix profit figures matched estimates and the close was unchanged on balance at 316p. Eagle Star, up 23 on Tuesday on speculative buying, hardened to a 1983 peak of 463p before reverting to the overnight 460p; the interim results are due next Wednesday. Among Life issues, Prudential shed a couple of pence to 486p awaiting today's half-timer.

Business in the major clearing banks remained thin, but buyers held sway with gains of 5 marked against Barclays, 470p, Lloyds, 498p, and NatWest, 597p. Bank of Scotland were also supported and rose 9 to 502p.

Ivory and Sime continued to shrug aside Monday's disappointing market debut and gained 9 more to 73p.

A Government report's favourable verdict on timber-framed dwellings gave an early fillip to housebuilders, but quotations closed well below the best in the absence of follow-through support. Barratt Developments, preliminary results due on September 20, touched 222p before closing 6 dearer on balance at 218p. George Wimpey, up to 118p initially, finished a net 4 up at 115p. Bryant Holdings closed 3 firmer at the day's best of 60p; the annual results are due next month. Elsewhere, BPB Industries responded to scattered support and rose 8 to 241p. Edward Jones attracted speculative buying on talk that Centreway's 23.7 per cent stake in the company was about to change hands and the shares gained 5 to 22p. John Finlan put on 10 to 208p following a Press mention. First thoughts about Cement Roadstone's interim results saw the price improve to 56p, but further appraisal saw the shares slip back to 53½p, just 1½ firmer on balance.

Wall Street's overnight resounding rally failed to make any apparent impact on ICI which after opening at the overnight level of 544p, drifted progressively lower as the BP offer-for-sale rumours gathered pace and the close was 8 down at 536p. Croda International reacted to 98p before ending 9 down on balance at 101p, with the Deferred 7 lower at a 1983 low of 50p following the poor interim figures.

Influences outside of the sector precluded support of major retailers which generally finished with small losses. Elsewhere, buyers returned for Executex Clothes, which spurted 8 to record a two-day gain of 16 to 32p. Speculative interest was also noted for Peters, 6 up at 82p. Kraft Productions continued to react to profit-taking and gave up 15 more at 185p.

Shoes displayed occasional noteworthy gains; Newbold and Burton firmed a couple of pence to 63p following the return to profits and the increased interim dividend.

BICC rally

BICC, a dull and nervous market recently, rallied smartly following better-than-expected interim figures and closed 10 to the good at 228p. Other leading Electricals recorded small losses, but Racal firmed 5 to 211p helped by the company's bullish statement on its Planet data ring main operation. Telephone Rentals encountered further support and put on 8 more to 205p and CASE closed similarly dearer at 373p. Kode, in contrast, reacted 11 to 368p following comment on the interim figures. Elsewhere, Mitel rose 78 to 964p following news of two contracts with major Canadian telephone companies worth around C$13m.

Leading Engineers rarely strayed far from overnight closing levels. Among the occasional movements in secondary issues, Bromsgrove Castings rose 7 to 65p on revived support. Matthew Hall, 246p, and ML Holdings, 253p, both improved 6, the latter helped by news of £2.2m export orders. Midland Industrials and Edbro held at 26p and 87p respectively; the prices in yesterday's issue were incorrect.

Tate and Lyle claimed most of the attention in Foods; quoted in ex-rights form, the shares enjoyed a good level of support and rose 7 to 362p. The new nil paid shares were active and moved between extremes of 58p premium and 50p premium before closing at 52p premium. Among Retailers, J. Sainsbury gained 7 more to a 1983 peak of 420p, while Kwik Save firmed 8 to 325p. The return to profitability and the Board's cheerful statement helped FMC to rise 3 to 48p.

Hoover react

Most leading miscellaneous industrials closed a few pence above the worst after subdued trading. Glaxo finished 10 lower at 805p and Beecham 5 off at 335p. Elsewhere, Hoover "A" encountered profit-taking awaiting further news of the bid discussions with the U.S. parent company and reacted 13 to 205p. J. H. Fenner came back 7 to 92p as recent speculative activity died down, but Gripperrods, up 8 at 143p, were firm again in response to buying ahead of next week's preliminary figures. Sale Tilney came to life with a rise of 10 to 205p, while Low and Bonar, interim results due next Monday, improved 4 to 108p. Buyers showed interest in Scapa Group, which put on 16 to 304p. Bogood Pelepah improved 2 to 14p in response to the preliminary figures and Bridon, reflecting satisfactory interim results, rose 2 to 64p. Other firm spots included Spring Ram, 6 to the good at 153p, and Courtney Pope, 5 up at 83p.

AE dipped to 55p before settling for a net loss of 2 at 58p on thoughts that the share-exchange offer from GKN will be referred to the Monopolies Commission; GKN eased 3 to 174p, valuing AE at just over 65p per share. Further consideration of the full-year results and one-for-one scrip issue lifted Aerospace Engineering 10 for a two-day gain of 15 at 175p.

The after-hours' announcement that British Printing and Communication's offer for John Waddington has lapsed prompted a reaction in both issues; BPCC eased 4 to 114p as chairman Mr Robert Maxwell asked for board representation, while Waddington, up to 271p earlier, closed a net 25 off at 243p.

Pending the Monopolies Commission's decision regarding the offer from Trafalgar House, P. & O. announced first-half profits in line with market expectations and closed unchanged at 211p.

Speculators displayed fresh interest in Textiles. Sirdar, preliminary figures scheduled for next Thursday, closed 8 better at 182p with sentiment additionally buoyed by call option activity. R. Smallshaw, 32p, and British Mohair, 85p, rose 3 and 5 respectively, while Carpets International rallied 4 to 67p.

Exco International rose 17 to 545p, after 553p, following a favourable Press response to the proposed purchase of a controlling stake in financial information service Telerate via a near-£50m rights issue.

BP nervous

Oils were overshadowed by revived rumours that the Government's expected £500m fund raising by a further offer-for-sale of part of its holding in BP is imminent. BP consequently traded nervously and reacted to 422p before recovering to close unaltered on balance at 430p. Shell settled at 622p, down 2, after 618p. Interest revived in Irish Sea explorers but Atlantic Resources closed 10 lower at 375p. Eglington, in contrast, were good at 285p, up 55. Elsewhere, Sun (UK) Royalty fell 15 to 230p, while Jebsens Drilling lost 14 to 168p after the interim results.

Poseidon lower

A further bout of profit-taking left Australians showing renewed widespread losses although a general contraction in turnover kept falls to minimum levels.

Leading "Down-under" golds bore the brunt of the selling, especially Poseidon, which dipped 12 to 383p, while North Kalgurli fell 5½ to 84p and Gold Mines of Kalgoorlie 10 to 750p.

The easier bullion price was held responsible for the weakness of the gold stocks, while lower base-metal prices put leading base-metal producers under light selling pressure.

Western Mining gave up 2 to 280p despite news of a copper find in Western Australia.

The South African sectors of mining markets were only marginally unsettled by lower precious metal prices. Winkelhaak lost ½ to £33½ ahead of the much better-than-expected final dividend which was not known during market hours, but Southvaal continued to attract persistent American buying interest and rose a further ¾ to a year's best of £46¾.

The cheaper-priced Evander mines in the Gencor group made modest progress ahead of the dividend announcements.

Bullion closed a net $4 easier at $413.625 an ounce, while the Gold Mines index eased 1.0 to 684.5.

Tuesday's expanded demand for Traded Options proved all-too-brief and, in the absence of concerted support for the underlying share prices, total contracts traded amounted to a meagre 1,399-758 calls and 641 puts. Cons. Gold Fields October puts made good progress with the 600s up 7 at 25p and the 650s rising 8 at 55p.

FINANCIAL TIMES STOCK INDICES

	Sept. 7	Sept. 6	Sept. 5	Sept. 2	Sept. 1	Aug. 31	year ago
Government Secs. ...	79.93	79.71	79.63	79.45	79.51	79.23	78.65
Fixed Interest	82.32	82.24	82.16	82.27	82.19	82.28	79.11
Industrial Ord	712.4	714.5	713.2	705.8	708.6	707.4	587.6
Gold Mines	684.5	685.5	682.5	679.8	672.5	678.9	347.0
Ord. Div. Yield	4.76	4.74	4.74	4.79	4.73	4.75	4.99
Earnings, Yld.% (full)	9.56	9.55	9.56	9.65	9.59	9.68	10.76
P/E Ratio (net) (*)	13.02	13.04	13.02	12.89	12.99	12.94	11.22
Total bargains.	18,220	17,815	20,003	20,646	20,546	17,167	19,785
Equity turnover £m.	—	214.54	143.82	209.45	176.36	163.54	148.08
Equity bargains	—	16,165	16,851	19,880	17,153	16,797	16,452
Shares traded (ml) ...	—	123.7	104.9	148.5	131.2	115.3	100.8

10 am 718.1. 11 am 715.3. Noon 712.7. 1 pm 710.4. 2 pm 710.6. 3 pm 711.4.

Basis 100 Govt Secs. 16/10/26. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/10/58. SE Activity 1974.

Latest Index 01-246 8026.

Nil = 12.30.

HIGHS AND LOWS

	1983 High	1983 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs ..	83.60 (13/6)	77.00 (24/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	84.74 (13/6)	79.03 (1/2)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	740.4 (22/8)	598.4 (12/1)	740.4 (22/8/83)	49.4 (26/6/40)
Gold Mines.	734.7 (15/2)	531.5 (29/3)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Sept. 6	Sept. 5
—Daily		
Gilt Edged Bargains ..	150.3	139.6
Equities Bargains ...	104.7	109.2
Value	433.6	290.7
5-day Avrge		
Gilt-Edged Bargains ...	132.6	127.5
Equities Bargains ...	112.5	112.0
Value	366.9	334.9

FT-Actuaries

Technical problems which prevented publication of the FT-Actuaries Fixed Interest indices and yields during June, July and August have been solved.

A limited supply of the figures covering the period is available to readers.

Please send a stamped addressed envelope to the Prices Room, The Financial Times, Bracken House, Cannon Street, London EC4.

NEW HIGHS AND LOWS FOR 1983

NEW HIGHS (91)

BRITISH FUNDS (2)
Funding 5¼pc '82-84
Treas. 10pc Cnv '86 (£40 pd)

AMERICANS (10)
Alcoa; Pacific Gas & Elect; Colt Inds; Sperry Corp; Ford Motor; U.S. Steel; Gulf Oil; Woolworths; Honeywell; Zapata Corp

CANADIANS (6)
Bell Canada; Inco; Brascan; Rio Algom; Imperial Oil; Seagram

BANKS (2)
ANZ; Westpac

CHEMICALS (2)
Hoechst Fin 10pc Uns Ln; Novo Inds A S B

STORES (4)
Church; Fine Art Devels; Executex; W W Grp

ELECTRICALS (3)
C.A.S.E.; Suter; Perkin-Elmer 4pc Ln

ENGINEERING (2)
Bromsgrove Casting; Tex Abrasives

FOODS (4)
Hillards; Sainsbury (J.); Paterson Jenks; Tesco 9pc Cnv Un Ln 02 07

HOTELS (1)
Garfunkels Restaurants

INDUSTRIALS (10)
Bridport-Gundry; Leo Group; Brit Syphon; Rexmore; Continental Grp; Simpson (S.) A; Gripperrods; Twinlock; Jenks & Cattell; Do. 15pc Uns Ln '76 99

INSURANCE (1)
Liberty Life

MOTORS (1)
Woodhead (J.)

NEWSPAPERS (3)
Assoc Book Publishers; Link House; News Int Spec Div

PAPER (4)
Bemrose; Carlton Comms; Bunzl; Smurfit (Jefferson)

SHIPPING (1)
Lon. O'seas Freighters

SHOES (2)
Newbold & Burton; Strong & Fisher

TEXTILES (4)
Brit Mohair; Shaw Carpets; Montfort; Smallshaw (R.)

TRUSTS (13)
Argo Inv; Japan Assets; Brit Ind & Gen Deld; North Sea Assets; Camellia Invs; TR Australia Inv; Drayton Cons; TR Ind & General; Fleming Japanese; Yeoman; G.T. Japan; M & G Group; "Inv in Success"

OILS (9)
Genoa; Weeks Australia; Hunting Pet; Weeks (Bermuda); Santos; Do (Aust); Texaco 4½pc Cnv; Woodside Pet; Tiber Energy

OVERSEAS TRADERS (2)
Finlay (J.); Gill & Duffus

MINES (5)
Southvaal; Highwood Res; Ang Am Gold; Tara Expln; North Broken Hill

NEW LOWS (13)

BUILDINGS (2)
Maunders (John); Wiggins Group

CHEMICALS (1)
Croda Int Deld

STORES (1)
NSS Newsagents

ELECTRICALS (3)
Black (M.); FKI Elect; CPU Computers

FOODS (1)
Cadbury Schweppes

NEWSPAPERS (1)
Sharpe (W. N.)

PROPERTY (1)
Land Invs

TRUSTS (1)
Aitken Hume

OILS (2)
Cluff Oil Cnv A; Petrocon

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds ...	73	10	17
Corpns. Dom. & Foreign Bonds	17	2	57
Industrials ...	276	199	894
Financial & Props.	148	52	306
Oils	28	30	54
Plantations	2	2	17
Mines	44	44	75
Others	121	16	53
Totals	709	365	1,473

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Aug 22	Sept 9	Nov 24	Dec 5
Sept 12	Sept 23	Dec 8	Dec 19
Sept 26	Oct 7	Dec 22	Jan 3

For rate indications see end of Share Information Service

Call options were done in BSR, Marks and Spencer, Selincourt, Debenhams, John Brown, Executex Clothes, Premier Oil, Fleet, Jefferson Smurfitt, Edenspring, Sumrie Clothes, Cadbury Schweppes, Montfort, Hoover, Yelverton, Swire Pacific A, W. E. Norton, Imps and Amber Day. No puts were reported, although doubles were struck in T Cowie and J. Finlan.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wed Sept 7 1983 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Tues Sept 6 Index No.	Mon Sept 5 Index No.	Fri Sept 2 Index No.	Thur Sept 1 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (207)	463.38	—	8.84	3.77	14.57	463.58	460.75	458.71	460.44	425.88
2	Building Materials (23)	427.08	+0.4	10.64	4.68	11.79	425.39	421.49	422.88	427.43	348.11
3	Contracting, Construction (30)	731.42	+1.6	12.18	4.71	10.28	719.86	718.29	711.71	720.82	644.72
4	Electricals (36)	1720.95	−0.4	7.75	2.20	16.74	1727.05	1705.56	1699.32	1698.87	1736.17
5	Engineering, Contractors (10)	468.26	−0.3	14.36	5.94	8.66	469.52	468.03	471.08	474.56	478.06
6	Mechanical Engineering (64)	200.19	−0.2	11.94	5.55	10.49	200.56	200.28	198.53	199.69	207.72
8	Metals and Metal Forming (10)	174.43	−1.1	10.61	6.72	11.46	176.35	179.18	180.16	180.53	149.12
9	Motors (18)	116.28	−0.7	—	4.93	—	117.05	116.51	115.54	116.51	81.57
10	Other Industrial Materials (16)	536.39	+0.2	5.44	4.13	24.27	535.54	538.43	531.22	531.67	361.62
21	CONSUMER GROUP (199)	434.40	−0.3	10.40	4.47	11.79	435.53	434.99	430.21	433.04	351.80
22	Brewers and Distillers (23)	447.95	−0.5	12.50	5.88	9.99	450.15	450.06	449.06	452.28	391.12
25	Food Manufacturing (22)	335.67	+0.5	13.41	5.93	8.73	334.00	333.90	332.76	334.67	294.15
26	Food Retailing (13)	961.52	+0.7	6.99	2.65	18.50	955.08	955.98	943.04	942.04	754.46
27	Health and Household Products (8)	779.33	−1.2	5.68	2.76	20.92	788.66	786.85	775.25	782.28	542.27
29	Leisure (22)	579.47	—	8.82	4.70	14.63	579.30	580.85	576.63	579.71	446.25
32	Newspapers, Publishing (14)	999.60	−0.4	8.20	4.50	14.98	1003.55	974.73	976.33	978.47	533.95
33	Packaging and Paper (14)	189.50	+0.4	11.74	5.34	10.34	188.80	188.09	187.83	187.79	143.24
34	Stores (48)	388.91	−0.2	8.12	3.83	16.69	389.60	389.35	384.19	388.34	319.23
35	Textiles (22)	211.97	−0.3	11.79	5.41	10.12	212.65	211.16	210.91	211.65	162.26
36	Tobaccos (3)	416.93	−0.9	23.75	7.46	4.72	420.89	420.70	402.32	405.29	399.68
39	Other Consumer (10)	430.77	−0.5	5.61	4.74	—	432.74	438.16	437.78	423.19	272.15
41	OTHER GROUPS (79)	387.50	−0.3	8.07	4.41	15.70	388.60	385.97	384.23	387.17	266.46
42	Chemicals (15)	534.64	−0.9	8.46	4.72	15.48	539.56	535.17	533.82	535.62	343.74
44	Office Equipment (6)	113.53	+1.8	8.45	4.52	15.11	111.47	109.81	108.38	111.34	105.93
45	Shipping and Transport (15)	715.90	+0.7	6.90	5.68	20.83	711.23	709.13	712.00	714.18	556.00
46	Miscellaneous (43)	525.66	−0.1	7.94	3.83	15.13	526.45	523.97	519.79	525.20	361.51
49	INDUSTRIAL GROUP (485)	441.04	−0.2	9.52	4.22	13.13	441.88	440.24	436.80	439.34	364.98
51	Oils (15)	1033.31	−0.3	10.90	5.73	11.14	1036.18	1025.84	1028.82	1031.50	752.38
59	500 SHARE INDEX	490.80	−0.2	9.77	4.58	12.72	491.80	489.35	486.54	489.09	396.65
61	FINANCIAL GROUP (123)	333.48	−0.1	—	5.72	—	333.77	330.62	330.18	330.92	254.24
62	Banks (6)	349.76	+0.8	24.44	7.28	4.47	347.00	344.17	348.54	349.75	258.08
63	Discount Houses (8)	295.02	−0.8	—	9.18	—	297.42	296.50	296.50	297.44	281.54
65	Insurance (Life) (9)	487.65	−0.3	—	4.50	—	489.04	482.71	477.65	477.70	288.75
66	Insurance (Composite) (10)	224.46	−0.4	—	6.76	—	225.26	222.96	222.45	223.15	164.80
67	Insurance Brokers (7)	557.46	−0.6	11.89	5.36	11.63	560.91	560.28	547.94	558.19	516.28
68	Merchant Banks (13)	203.96	−0.6	—	4.47	—	205.21	205.43	205.54	207.61	146.36
69	Property (53)	457.94	−0.7	6.19	4.08	21.70	461.01	452.97	458.08	458.19	432.74
70	Other Financial (17)	240.17	+0.6	11.24	5.65	10.72	238.73	239.81	239.98	239.90	169.38
71	Investment Trusts (108)	446.51	+0.7	—	3.96	—	443.30	441.52	441.59	443.02	316.17
81	Mining Finance (4)	322.41	−1.7	5.79	4.53	22.17	327.91	325.46	318.44	321.87	225.56
91	Overseas Traders (15)	497.22	+0.5	7.25	7.52	21.15	494.61	490.68	489.63	489.60	373.08
99	ALL-SHARE INDEX (750)	453.38	−0.2	—	4.78	—	454.11	451.51	449.23	451.35	358.06

FIXED INTEREST

	PRICE INDICES	Wed Sept 7	Day's change %	Tues Sept 6	xd adj. today	xd adj. 1983 to date
	British Government					
1	5 years	116.36	+0.34	115.99	—	7.65
2	5-15 years	127.32	+0.42	126.78	—	9.34
3	Over 15 years	136.27	+0.70	135.32	—	10.29
4	Irredeemables	146.77	+0.26	146.39	—	8.90
5	All Stocks	126.46	+0.41	125.95	—	9.02
6	Debentures and Loans	102.55	+0.16	102.39	—	7.41
7	Preference	76.37	+0.06	76.33	—	5.01

	AVERAGE GROSS REDEMPTION YIELDS		Wed Sept 7	Tues Sept 6	Year ago (approx)
	British Government				
1	Low Coupons	5 years	10.12	10.15	9.80
2		15 years	10.53	10.57	10.59
3		25 years	10.15	10.19	10.77
4	Medium Coupons	5 years	11.78	11.81	11.28
5		15 years	11.19	11.29	11.56
6		25 years	10.56	10.67	11.05
7	High Coupons	5 years	11.85	11.86	11.41
8		15 years	11.39	11.49	11.76
9		25 years	10.70	10.73	11.22
10	Irredeemables †		10.08	10.11	10.70
11	Debs & Loans	5 years	12.43	12.18	12.55
12		15 years	12.30	12.37	12.55
13		25 years	12.21	12.38	12.54
14	Preference †		12.92	12.93	13.62

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 28p.

CONSTITUENT CHANGES: Hanlleigh Group (10) and Broadstone Investment Trusts (71) have been deleted and replaced by Oceonic Group (4) and London Investment Trust (70).

EUROPEAN OPTIONS EXCHANGE

TOTAL VOLUME IN CONTRACTS: 11,662

A=Asked B=Bid C=Call P=Put

RECENT ISSUES

EQUITIES

FIXED INTEREST STOCKS

"RIGHTS" OFFERS

Issue price	Amount paid up	Latest Renunc. date	1983 High	1983 Low	Stock	Closing price p	+or
50	Nil	—	—	38pm	31pm	::Marinex Pet. 10p	31pm	−1
350	F.P.	—	28/9	455	425	Midland Bank £1	430	...
80	Nil	—	—	5pm	1½pm	Nesco Invs.	3pm	...
20p	Nil	—	—	7pm	4pm	Parkdale 10p	7pm	
10	Nil	—	—	12½pm	1¼pm	✣Sheraton Secs. 10p	12pm	
95	F.P.	—	14/10	142	126	Steinberg 10p.	141	
310	Nil	—	—	58pm	50pm	Tate & Lyle £1	52pm	
175	F.P.	—	30/9	240	215	Unitech 10p.	207	−7
100	Nil	—	16/9	125pm	102pm	United Parcels 10p	120pm	+2
180	Nil	—	—	53pm	50pm	✣Webber Electro 12½p	53pm	
$US1.72	Nil	—	—	75pm	65pm	Weeks (B'muda) 10cts.	100pm	+25
$US1.72	Nil	—	—	120pm	80pm	Do. Aust. 10cts	120pm	+50

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1983. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. ● Figures or report awaited. § Placing price. p Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation merger or take-over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid) ● Provisional or partly-paid allotment letters. ✣ With warrants. ‡ Effective issue price after scrip. † Formerly dealt in under special rule. †† Dealt in under Rule 163 (3).

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change
AE	58	− 2
Aran Energy	46	− 1
Atlantic Res.	375	−10
BICC	228	+10
Barratt Devs.	218	+ 6
BP	430	—
Cobra Emerald	117	+11
Eagle Star	460	—
Executex Clothes	32	+ 8
Phoenix Assurance	316	—
Sun Alliance	£12⅞	− ¼
Tate & Lyle	362xr	+ 7

TUESDAY'S ACTIVE STOCKS

Based on bargains recorded in Stock Exchange Official List.

Stock	No. of changes	Tues. close	Day's change
Exco Int'l.	15	528	−10
Ivory & Sime	15	64	+ 8
Glaxo	13	815	—
IMI	13	58½	− 4½
Dowty Grp.	12	123	+ 4
Inter-City Inv.	11	89	− 4
Shell Trans	11	624	+ 6
Utd. Guarantee	11	48	+ 7
BTR	10	537	− 6
Burmah Oil	10	165	+ 3
GEC	10	212	+ 5
Rckt. & Clmn.	10	457	+12
Unilever	10	765	+ 3
Yelverton Invs.	10	88	+ 7

LONDON TRADED OPTIONS

Sept. 7 Total Contracts 1,399 Calls 758 Puts 641

Underlying security price.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
102¹¹⁄₁₆	100⅝	Exch. 13½pc '83	100⅝	.....	13.42	9.72
100³⁄₁₆	98¾	Exch. 10pc 1983	100⅛	−⅛	9.99	9.48
98¹³⁄₁₆	96¼	Funding 5½pc '82-84‡‡	98¾	+⅛	5.56	8.82
101¼	99½	Exch. 11¼pc 1984	100⅞	.....	11.17	9.51
104⅜	102⅞	Exchequer 14pc. 1984	102⅜	.....	13.68	10.34
95⅞	92½	Exch. 3pc 1984	95	+⅛	3.16	9.75
102⅞	100⅞	Treasury 12pc 1984	101⅝xd	−⅛	11.82	10.40
107⅞	104⅞	Treasury 15pc 1985	105½	+⅛	14.22	10.75
107	101⅞	Exch. 12pc Cnv. '85	102½xd	+⅛	11.75	10.50
91⅝	88⅝	Treasury 3pc 1985	91¼	.....	3.29	8.61
102⅞	99⅞	Treasury 11½pc 1985	101	+¼	11.39	10.83
102	95	Treas 8¾pcCnv '85	97⅜	+⅛	8.99	10.22
103⅝	100⅛	Exch. 12¼pc 1985	102	+⅛	12.01	11.13
102⅞	99⅞	Exch. 11¾pc '86	101	+⅛	11.63	11.24
41⅞	40	Tr. 10pc Cnv'86 (£40pd).	41⅞	+⅛	10.20	10.76
88½	85⅝	Treasury 3pc 1986	86¾	.....	3.46	8.60
101⅞	97⅞	Exch. 10½pc Cv '86	98⅜	+⅛	10.67	11.19
103⅞	100⅞	Treasury 12pc '86	101⅞	+⅛	11.84	11.38
94⅞	94⅛	Treasury 8¾pc '84-86‡‡	94⅞	+⅛	8.96	10.61
114	103¾	Treas. 12¼pc '86 Cnv.	105¾	+¼	11.58	9.85
109⅞	105⅞	Exch. 14pc 1986	105⅞	+⅛	13.22	11.62
107¼	103⅝	Exch. 13¼pc 1987	104⅜	.....	12.70	11.63
97⅜	95⅞	Tr 10¼pc Cv '87	97⅛	+⅛	10.56	11.27
84⅞	80¼	Exchequer 2½pc 1987	81⅞	−⅛	3.08	8.94
100⅛	95⅞	Exch. 10½pc 1987	97⅞xd	+⅛	10.80	11.50
93¼	88⅛	Funding 6½pc '85-87‡‡	88¼	.....	7.37	10.44
86	80¼	Treasury 3pc 1987	81⅛	+⅛	3.70	8.89
104⅝	99⅞	Treas 12pc 1987	100⅞	+⅛	11.92	11.74
93¼	89⅜	Treasury 7¾pc '85-88‡‡	89⅝	+¼	8.65	10.76
101½	95½	Exch 10½pc '88	96¼	+⅛	10.91	11.53
81½	75¾	Transport 3pc '78-88	77⅛	+⅛	3.89	8.94

Five to Fifteen Years

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
96½	90¼	Treas. 9½pc '88	95	.....	10.39	11.75
94⅞	91⅞	Treas 9½pc '88 'A'	93	+⅛	10.37	12.72
104⅝	95¼	Treasury 11½pc 1989	99¼xd	+⅛	11.65	11.81
97⅜	94¼	Treas 10½pc 1989	97½	+⅛	11.14	11.88
83¼	76¾	Treasury 5pc '86-89	78¼	.....	6.56	10.34
112½	103	Treasury 13pc 1990‡‡	107	+¼	12.38	11.82
108¾	100⅞	Exch. 12½pc 1990	102½xd	+¼	12.14	11.84
92	86¼	Treasury 8¼pc '87-90‡‡	88¼	−¼	9.56	11.16
106¼	97	Treasury 11¾pc 1991	101¼	+⅛	11.83	11.87
83	74⅜	Funding 5¾pc '87-91‡‡	75¼xd	.....	7.60	10.49
103	95⅞	Exch. 11pc 1991	100⅜	.....	11.43	11.71
114⅛	102	Treasury 12¾pc '92‡‡	106¾	+½	12.13	11.76
99⅝	88¾	Treasury 10pc 1992	93⅜	+¼	10.72	11.32
110¼	98½	Exch. 12¼pc '92	103	+½	11.95	11.77
116	106½	Exchequer 13½pc '92	108xd	+⅜	12.44	11.93
113¼	101¼	Treasury 12½pc '93‡‡	106⅜	+⅜	11.97	11.71
79⅜	71	Funding 6pc 1993‡‡	72¾xd	+¼	8.23	10.43
120¾	110½	Treasury 13¾pc 1993‡‡	115½	+⅝	12.34	11.77
125¾	112⅞	Treasury 14½pc '94‡‡	117	+⅝	12.42	11.69
117⅝	109⅛	Exchequer 13½pc 1994	114¾	+⅛	12.30	11.84
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

Index-Linked

[illegible]

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%.

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

[illegible]

CORPORATION LOANS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
83¼	78¼	Do. 5½pc '85-87	81⅛	+⅛	6.73	11.61
81	75	Do 6¾pc '88-90	78¼	.....	8.75	11.67
26⅛	23¼	Do. 3pc '20 Aft.	24¼xd	.....	12.32	—
102½	100	Sunderland 12¼pc 1984	101½	+⅛	12.07	10.84

COMMONWEALTH AND AFRICAN LOANS

1983 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
100⅝	94¼	Aust. 6pc 1981-83	100⅝	.....	6.06	10.02
78¾	74⅝	N.Z. 7½pc 1988-92	77¼xd	+¼	9.49	11.56
92¼	88⅝	Do. 7½pc '83-86	90½xd	+¼	8.45	12.36
181	158	S. Rhod. 2½pc Non-Ass.	181	.....	—	—
86	74	Do. 3½pc 80-85 Assd.	82	.....	4.35	14.80
57	44	Do 4½pc 87-92 Assd.	54	.....	8.36	13.90
395	321	Zimbabwe Ann (£100pa)	386	−2	—	15.13

LOANS

Public Board and Ind.

[illegible]

Financial

[illegible]

Building Societies

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

CANADIANS

[illegible]

BANKS, H.P. & LEASING

1983 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's	P/E
298	190	ANZ SA1	298	+3	028c	3.1	5.4	6.0
295	235	Alexanders D. £1	238	.....	20.0	—	12.0	—
£93	£66	Algemene Fl.100	£81½	.....	Q26%	1.8	7.0	7.9
157	89	Allied Irish	142	+2	049%	4.2	6.7	4.8
110	77	Ansbacher (H.)50p	85	.....	3.5	—	5.9	—
275	170	Bk. Ireland £1	250	+2	Q24.9	—	7.8	—
3½	1½	Bank Leumi	1¼	.....	—	—	—	—
170	130	Bk Leumi (UK)£1.	168	.....	10.15	—	9.1	—
525	420	Bank Scotland £1	502	+9	24.0	3.6	6.8	4.5
534	385	Barclays £1	470	+5	†22.0	3.6	6.7	4.7
310	235	Brown Shipley £1	305	.....	7.75	—	3.6	—
410	315	Cater Allen £1	360	.....	26.95	—	10.7	—

BANKS—Continued

[illegible]

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

CHEMICALS, PLASTICS

[illegible]

CHEMICALS, PLASTICS—Cont.

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS—Continued

[illegible]

ENGINEERING MACHINE TOOLS

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

FOOD, GROCERIES—Cont.

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

هكذا من الأصل

INDUSTRIALS—Continued

1983 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's	P/E
205	158	[illegible]	205		4 2	2 2	3 0	22 3
208	165	Jackson Bourne	195		5 0	ϕ	3 7	ϕ
40½	19	James Inds. 10p	33½	½	1 25	1 5	5 3	18 3
160	99	Jardine M HK$5	110	-1	Q80c	2 1	7 1	17 5
47	18	Jenks & Cattell	47	+1	1 06	0 5	3 2	[illegible]
348	282	Johnson Clnrs.	303xd	+1	†10 8	2 8	5 1	8 5
340	265	Johnson Mthy £1	270	5	10 0	2 0	5 3	(11 3)
385	228	Johnston Grp 10p	375		6 0	5 0	2 3	12 6
102	87	Jourdan (T.) 10p	92		5 6	1.2	8 7	12 7
64	39	Kalamazoo 10p	57	-1	2 5	0 9	6.3	25 5
60	35	Kean & Scott Hldg.	48xd	-1	M1 0	—	2 2	—
23	9¼	Keep Trust 5p	13	-¼	0 15	—	0 2	—
210	140	Kelsey Inds.	183	.....	8 0	1 7	6 2	12 6
155	110	Kershaw (A.) 5p	145		†15 0	0 6	[illegible]	(21 2)
62	39	Kleen-E-Ze Hldgs	62		3 0	ϕ	6 9	ϕ
*96	52	L.C.P. Hlds.	90		3 6	1.2	5 7	(28 3)
32	14	LDH Group	27		—	—	—	—
145	103	L.R.C. Int. 10p	127	+1	3 25	2 3	3 7	15 1
32	17	Lamont Hldgs. 10p	27	...	1 3	1.8	6.9	10 6
40	26	Lawtex	36	...	—	—	—	—
465	345	Lep Group 10p	465	+5	17.5	0 3	5 4	64.5
36	22	Lilleshall 10p	36	......	d1.0	—	4 0	—
350	61	Lon. & Liv. 10p	70	...	h2.75	3.5	5 6	6.3
140	102	London & Mid'd.	126	-2	7.75	ϕ	8.8	ϕ
*110½	38	Lon. & Nthn. Grp.	76	+3	F4.2	ϕ	7 9	10 7
40	23	Lon. Priv. Health	29		—	—	—	14 5
65	46	Longton Inds.	56xd	..	1.0	—	2.6	—
120	70	Low & Bonar 50p	108	+4	5.0	0.6	6.6	(4.5)
48	32½	MCD Group	47	....	ol.0	2 2	3 0	21.4
87	62	MMT Computing 5p	80	......	bl.68	2 6	3 0	18.6
26	16	M.Y. Dart 10p	23	+½	0 1	—	0 6	—
232	135	McCrthy Ph. 20p	146	......	7.0	2 7	6.9	6.8
148	128	Macfarlane Gp.	148	...	†3.52	2.1	3 4	17.9
46	33	Maclellan 20p	33	......	dl 5	1 6	6.5	11.8
63	48	Macpherson (D.)	58	......	4.2	0.6	10.3	(34.2)
56	41	Magnolia Group	53	......	2 3	3.2	6.2	6.2
180	65	Man. Ship Can. £1	137	......	3 5	6 8	3 7	4 1

LEISURE

1983 High	Low	Stock	Price	+ or -	Div Net
78	69	A-R TV Pref. £1	73½		5 95
103	85	Adam Leisure 10p	88		hd2 0
141	114	Anglia TV 'A'	136	2	6 5
119	85	Avon Leisure 5p	107		h4 13
128	72	Barr & W.A.T. 'A'	120	2	5.0
100	40	Black & Edgtn	89		ϕ—
178	118	Boosey & Hawkes	166		2 3
61	40	Campari Int. 20p	58		n2 73
36	23	Carlton Boat. 10p	36		td1 0
31	14½	GRA Group 5p	30½	½	—
58	45	Grampian TV A 10p	57		3 6
163	136	HTV Non-Vtg.	162	..	11 0
272	125	Horizon	142xd	3	†3 6
162	91	Intasun 10p	146	....	4 0
60	29	Interior Video 10p	30	+1	1 0
370	258	Juliana's Hlds 2p	352	..	b4 9
174	139	LWT 'A'	173	-1	11 08
*147	67	Leisuretime Int 10p	70		g1 54
328	108	Mngmt. Ag. M 10p	122	+5	8 75
60	52	Medminster 10p	53		†4 0
170	110	Miss World Grp 10p	153xd	-2	h3.0
23	17½	Nationwide 5p	21½	.	
128	53	Ninosio Int 20c	73	+3	—
128	45½	Norton Opax 10p	120	..	t2.17
30	22½	Owners Abroad	29½	-½	0 5
47	36	Photax (Lon.)	40	..	—
153	90	Pleasure Time 5/10p	113	..	ud1 5
340	217½	Pleasurama 5p	320	.....	t5.75
173	108	Radio City 'A' NV	125	...	g5 6
209	138	Riley Leisure 10p	194	..	3 95
132	84	Saga Hols. 20p	105	+2	d3 73
515	345	Samuelson Grp £1	405	....	u012 0
108	94	Scott. TV 'A' 10p	107	.	7.35
68	28	SelecTV 10p	36	.	—
		For Strikes Resis. see Hotels			
24	15½	TSW 5p	20½	+½	0.9
71	30	TVS N/Vtg 10p	71		—

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCES

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SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc.

OIL AND GAS

OIL AND GAS—Continued

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

MINES—continued

Central African

1983 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's
300	210	Falcon Rh.50c	240	+20	Q70c	4.2	22.5
23	16	Wankie Col. Z$1	22	.	Q5c	0 7	13 3
28	18	Zam Cpr.SBD0.24	19		—	—	—

Australians

1983 High	Low	Stock	Price	+ or -	Div Net	C'vr	Y'ld Gr's
28½	13½	ACM 20c	17	-½	—	—	—
40	32	Allstate Expln NL	39	-1	—	—	—
25	11	Balmoral Resources	17		—	—	—
60	37	Black Hill Mins.	52½	+1½	—	—	—
85	51	Bond Corp.	85		gQ10c	2 3	7 1
183	116	Bougainville Kina1	167	-1	mQ3.42c	1 2	1.2
360	204	CRA 50c	357	-3	Q3c	—	0.5
145	60	Carr Boyd 20c	95	+1	—	—	—
43	18	Central Pacific	33		—	—	—
9	2¾	Cons. Gold Mng Areas	4	-¼	—	—	—
17	5	Coopers Res N L	11½		—	—	—
255	183	Crusader Oil	255		—	—	—
18	8	Cultus Pac NL	18		—	—	—
19	7	Eagle Corp 10c	19		—	—	—
215	96	Emperor Mines	202	-6	—	—	—
14	8	Endeavour 20c	11¼		—	—	—
58	17	Enterprise Gld Mines	43	+1	—	—	—
810	500	GM Kalgoorlie 25c	750	-10	hQ10c	ϕ	0 8
24	6	Grt. Eastern Mines	19	..	—	—	—
*240	170	Hampton Areas 10p	220	-2	3 75	2 1	2 4
32	15½	Haoma NW	28	-1	—	—	—
92	30	Hill Minerals N L	52		—	—	—
41	33	Inland Mining	25		—	—	—
100	25	Jingellic Minerals	68	-3	—	—	—
42	21	Kalbara Min 20c	26	+1	—	—	—
19	9	Keywest Expl	19		—	—	—
132	54	Kitchener NL 25c	126	-6	—	—	—
180	78	Meekatharra 25c	78		—	—	—
58	24	Metals Ex. 50c	56	-1	—	—	—
52	23	Metramar Mns 20c	35		—	—	—
279	217	MIM Hldgs 50c	264		Q5c	ϕ	1 1

Tins

Miscellaneous

NOTES

REGIONAL AND IRISH STOCKS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 39

Authorised Units—continued

[illegible]

Offshore and Overseas—continued

[illegible]

Insurances—continued

[illegible]

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

[illegible]

INSURANCES

[illegible]

هكذا من الأصل

INSURANCE & OVERSEAS MANAGED FUNDS

London A'deen & Nthn. Mtl. Assur. Ltd.
129 Kingsway, London, WC2B 6NF. 01-404 0393

'Asset Builder'	64.8	68.7	....	—

London Indemnity & Gnl. Ins. Co. Ltd
18-20, The Forbury, Reading 583511

Money Mngr Sept 1	61.3	66.1	....	—
MM Flexible Sept 1	52.6	55.4	....	—
Fixed Interest Sept 1	54.7	57.7	....	—

London Life Linked Assur. Ltd.
100, Temple St., Bristol, BS1 6EA. 0272-279179
See adjacent Page Mon-Fri and Stock Exchange Page Sat.

London & Manchester Gp.
Winslade Park, Exeter EX5 1DS. 0392 52155

Invest. Tst. Fd. Cap.	292.9	—	+3.8	—
Invest. Tst. Fd. Acc.	308.8	—	+4.0	*12.1
Property Fund Cap.	117.2	—	....	—
Property Fund Acc.	123.2	—	....	*4.2
Flexible Fund Cap.	179.9	—	+0.3	—
Flexible Fund Acc.	189.1	—	+0.3	*4.2
Fixed Int. Fd. Cap.	134.6	—	−0.1	—
Fixed Int. Fd. Acc.	141.7	—	−0.1	—
Gtd. Deposit Fd. Cap.	138.6	—	....	—
Gtd. Deposit Fd. Acc.	144.8	—	....	—
Equity Fund Cap.	131.3	—	+0.6	—
Equity Fund Acc.	137.7	—	+0.7	—
International Fd. Cap.	140.4	—	+1.8	—
International Fd. Acc.	147.1	—	+1.9	—
Capital Gwth. Fd.	423.2	—	+2.3	—
Moneymaker Fund	166.3	—	+0.3	—
Exempt Inv Tst Cap	407.3	—	+0.5	—
Exempt Inv Tst Acc	421.6	—	+0.6	—
Exempt Inv Tst NS	419.4	—	+0.5	*8.1
Exempt Ppty Cap	188.9	—	....	—
Exempt Ppty Acc	195.6	—	....	—
Exempt Ppty NS	194.5	—	....	*3.7
Exempt Flex Cap	240.8	—	+0.5	—
Exempt Flex Acc	249.3	—	+0.6	—
Exempt Flex NS	247.9	—	+0.6	*4.2
Exempt Equity Cap	111.7	—	+0.5	—
Exempt Equity Acc	115.4	—	+0.6	—
Exempt Fxd Int Cap	102.2	—	....	—
Exempt Fxd Int Acc	105.7	—	....	—
Exempt Gtd Dep Cap.	103.4	—	....	—
Exempt Gtd Dep Acc.	106.9	—	....	—

*Addition to price where reduced mngmt. charges apply.

M & G Group
Three Quays, Tower Hill, EC3R 6BQ. 01-626 4588.

American Fund Bond	132.9	139.7	+2.8	—
American Rec. Bond	197.0	206.9	+3.6	—
American Smlr Cos Bd.	93.4	98.1	+1.3	—
Australasian Bond	122.3	128.5	+0.2	—
Commodity Bond	126.8	133.2	−0.4	—
Convert Deposit Bond	178.0	187.0	....	—
Equity Bond (Acc.)	294.9	309.7	+1.3	—
Extra Yield Fd. Bond	144.9	152.3	−0.1	—
Far Eastern Bond	113.0	118.8	+0.4	—
Gilt Bond	173.6	182.4	+0.2	—
Gold Bond	115.2	121.0	−0.3	—
High Yield Bond	122.0	128.2	....	7.11
Index-Linked Gt Bd.	98.7	103.7	+0.4	—

OFFSHORE AND OVERSEAS

WestAvon Secs (Guernsey) Ltd
PO Box 214, St Peter Port, Guernsey 0481 27768

Gas & Option Fd.	£1.10	1.16	....	—
US $ Option	$1.02	1.07	+0.02	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$13.37	+0.03	—

Inv. Adv.: M & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	28.3	29.4	....	—
Chinese Fund	70.0	72.9	....	—
Precious Metal Fund	128.0	133.2	....	—
Vanguard Cmdy. Fd.	38.8	39.8	....	—
Financial Futures Fd.	81.6	85.0	....	—
Wren Intl. Fnd.*	$0.718	0.747	....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualised rate of NAV increase.

COMMODITIES AND AGRICULTURE

Aluminium under heavy pressure

By John Edwards

ALUMINIUM futures came under heavy selling pressure again on the London Metal Exchange yesterday. Cash aluminium closed £12.5 lower at £1,089 a tonne, £25.5 below the record level of £114.5 reached on Monday.

Traders said the main selling came from U.S. commission houses, probably representing speculators taking profits after the recent price upsurge.

Some chartists apparently are suggesting that a short-term "correction" is required before the market attempts to rally and breach the £1,200 mark for the first time.

It was claimed that there was trade support at the lower levels, possibly from producers who are keen to see LME values stay up and not undermine the recently established rise in producer prices.

The fundamental supply-demand position for aluminium remains strong with producers continuing to bring productive capacity that was cut sharply closer in line with demand.

But doubts about the strength of the industrial recovery in the U.S. and elsewhere are beginning to affect sentiment in the base metal markets generally.

Copper prices eased yesterday for the third day in succession, although the gap between aluminium and copper has narrowed significantly as a result of the much bigger losses in aluminium.

Nevertheless copper's performance was viewed as disappointing in view of the weakness of sterling

Zinc was marginally higher after Tuesday's setback. Although stocks in the LME warehouses are the highest levels since 1976, there is a shortage of high-grade zinc and it is believed that producers are helping to support LME values.

Development of forest products declines

By Anthony McDermott in Geneva

THE DEVELOPMENT of Forest products in Western Europe declined in 1982 more sharply than anticipated—by as much as 5 per cent—but there could be signs of recovery in 1983, says a report prepared by the Timber Section of the United Nations Economic Commission for Europe.

The 1982 results were described as "bleak." The productions except fireboard declined in 1982, for the third year running.

In terms of rates of decline, sawn hardwood suffered least while plywood suffered most in terms of both production and consumption.

However, in North America, while sawn softwood and sawn hardwood production and consumption fell drastically in 1982, the report says that "the successive reduction of interest rates . . . by the U.S. in the summer of 1982 . . . followed by the majority economy countries in the region, effected a gradual revival of activity in the housing sector of the U.S.

"It was reflected in a rising demand for forest producers, notably sawn softwood and plywood. In Western Europe, the anticipation that the building sector would benefit from lower rates was a major factor in the increasing firmness of forward markets in the latter part of 1982." On this basis 1983 could be better.

John Wicks writes from Zurich: The European Confederation of Agriculture (CEA) has called for international co-ordination of scientific research into acid rain.

The Swiss-based body demands "effective measures to reduce harmful gas emission and promote an environment favourable for the production of healthy foodstuffs."

World sugar prices fall sharply

BY RICHARD MOONEY

WORLD SUGAR prices fell sharply yesterday with the London daily raws price £6 down at £157 a tonne, £36.50 below the 2-year peak of five weeks ago.

Dealers said there was no fundamental news to account for the decline apart from the continuing tendency for European crop estimates to be adjusted upwards marginally from the very low levels suggested earlier because of this year's drought.

Yesterday's fall, which was also apparent on the London futures market, was in line with an overnight decline in New York, where there has been increasing concern about the size of the uncovered long position.

At the weekly sugar export tender in Brussels export licences were granted on 41,000 tonnes of white sugar taking total allotments for the first eight weeks of the current marketing season to 289,000 tonnes.

In addition, the EEC Commission authorised the export of 20,000 tonnes of raw sugar.

The tender result was much as expected and had little impact on the market.

Meanwhile, officials representing the African, Caribbean and Pacific (ACP) states in Brussels said they were worried that the EEC might impose a 4 per cent price rise for the sugar it buys from them in the 1983-84 marketing year from July 1, reports Reuter.

ACP states have already rejected the 4 per cent rise offered in June for the 1.3m tonnes of sugar the EEC buys from them annually and they feel they could be deprived of the right to negotiate as set out in the 1975 sugar protocol.

The ACP countries have called for a report of the 9.5 per cent rise they were given last year, but feel they may be forced to accept 4 per cent if the Council of Ministers decides it cannot improve the offer.

We are not insisting on 9.5 per cent, but we are dissatisfied with 4 per cent, said Mr Raymond Chasle, Mauritian ambassador in Brussels.

● The fifth British sugar beet test on Monday showed average root weight of 552 grammes compared with 771 grammes at the corresponding test last year and an average 563 grammes over the five-year period 1978/82, a British Sugar official said.

U.S. looks forward to high net farm income this year

Nancy Dunne analyses the effects of drought and reduced acreage

AFTER three years of deep recession, U.S. farmers are expecting one of the highest net incomes ever.

Under the Government's acreage reduction programme with its payment-in-kind (PIK) provision, farmers last spring agreed not to plant an estimated 82.3m acres.

A serious drought cut production even further and prices rose 4.6 per cent last month alone.

At the end of August, the Department of Agriculture (USDA) reported that maize and soyabeans, both severely damaged by the weather, had hit $3.45 (£2.31) and $8.09 (£5.37) a bushel respectively, up 32 cents and $1.81 from July.

Even wheat, so far unaffected by the heat wave, rose 23 cents last month to $3.57 per bushel, as it climbed with the other grains.

With lower production expenses and higher Government payments, net farm income is expected to rise from $23.9bn last year to $26-30bn in 1983.

Yet the estimated $23bn the Government will spend on agriculture programmes this year will only partially ameliorate the serious problems within the farm belt.

Wheat farmers, whose winter crop for next year might be injured unless the drought abates soon, agreed to put 75 per cent of their land in one form or another of the Government's acreage reduction programmes.

Because marginal land is the first to be taken out of production, wheat farmers produced record yields — just under 40 bushels an acre, up four bushels per acre from last year.

Thus, wheat production is expected to drop this year by only 4bn bushels from 2.8bn in 1982. Because exports are down, last year's carryout of 1.5bn bushels may actually be surpassed by a 1.6bn bushel carryout from 1983.

Wheat prices, now stabilising at about $3.60, are still below the loan rate of $3.65 and the target price of $4.30 for which they wil get subsidy payments.

Many maize farmers, despite the higher prices and crops they will receive from the Government under Pik, will be even worse off.

The last USDA report, containing August 1 predictions, estimated yields of 99.9 bushels per acre, down from the expected 112-115 bushels per acre. However, conditions worsened and yields are likely to be even lower.

From last year's record crop of 8.4bn bushels, estimated output is likely to sink to 4.5bn for 1983 in the next USDA crop report to be released next Monday.

Last spring, maize farmers agreed to put 65 per cent of their land in an acreage reduction programme. Farmers who did not take part are in deep trouble. Among those who did, about 20 per cent participated in the "whole base Pik," which means they did not plant at all and will receive cash payments and crops equal to about 80 per cent of their usual output.

These farmers will be in the best shape as they will be able to sell high quality crops from stocks at this year's higher prices.

About a third of the participating maize farmers left between 10-30 per cent of their land unplanted and will receive some cash and some crops. About 15 per cent left a fifth of their land fallow and will receive cash but no crops.

Many maize farmers also plant soyabeans, which are being severely damaged by the drought and were not included in the acreage reduction schemes.

However, many farmers counted their soyabean acreage as maize land and took it out of production, reducing planted soyabean acreage from 72.2m acres in 1982 to 63.3m in 1983.

USDA says that the Pik programme would have worked had the weather co-operated and, in any case, it is saving many farmers from total disaster. But they acknowledge that next year's acreage reduction programmes for various crops will range from non-existent to skimpy. They have learned once again that no one can predict the weather

Potato futures down by £11.70

By Our Commodities Staff

POTATO futures prices fell by £11.70 a tonne yesterday, finishing at £220 in the April position, down from the previous close of £231.70. The market closed in the morning when prices fell by the permissible limit, hitting the day's low of £215. The day's high was £225.

Lots traded in the London potato market in August rose dramatically to 32,925, compared with 5,241 the previous August, according to the International Commodities Clearing House. Cocoa remained the most active market, with 123,214 lots traded last month, compared with 40,340 at the same time last year.

● COMMODITY funds will be the subject of the first of a series of free seminars planned by ContiCommodities. Details from David Courtney, 01-488 3232.

● VOLUME on the Chicago Board of Trade in August for all futures contracts set a second consecutive industry-wide volume record of 7,813,890 contracts, surpassing the previous high of 5,714,583 contracts traded in July.

● CHINA is "almost certain" to break its minimum contract obligations under the 1981-84 Sino-U.S. grain pact this year, despite yesterday's lifting of restrictions on U.S. agricultural and textile imports, according to Western agricultural experts in Peking.

● PERU'S agriculture production is likely to fall 20 per cent this year. Severe floods in Northern Peru have devasted farming areas, while the anchovy catch has been hit by warm water currents.

● CZECHOSLOVAKIA'S grain harvest this year is reported at 10.2m tonnes excluding maize, 170,000 tonnes above the planned target and 868,000 tonnes more than last year.

Farmers apologise for ash pollution

By Our Commodities Staff

SOMERSET FARMERS have apologised to householders disturbed by ash from burnt straw and stubble blowing round during weekend gales.

But the Somerset and South Avon branch of the National Farmers' Union denied that "irresponsible farmers" were to blame.

"After three months drought, the ground was often too hard and the wind really was exceptionally strong for the time of year," said Mr Clifford Taylor, branch chairman.

At the autumn cultivation event at the National Agriculture Centre at Stoneleigh, farmers were warned again of the dangers of burning in the wrong conditions.

"All the evidence suggests that there is still a surprising degree of carelessness around. Almost daily, it seems, one reads stories of straw burning that has got out of hand," said Mr Morgan Milne, chairman of the NFU Mutual Insurance Society.

The NFU Mutual had paid out thousands of pounds this year for claims from straw and stubble burning — for fire-ravaged standing crops, buildings, fences and gates, even combines caught up and destroyed in uncontrolled fire."

The conservation group Friends of the Earth has launched a campaign seeking an immediate ban on straw burning. It is seeking an urgent meeting with Mr Michael Jopling, Agriculture Minister, and is urging members to petition their MPs.

Two Oxfordshire farmers who dislike burning off straw, Mr Nick Goldsmid and Mr John Denny, have been buying barley and wheat straw locally and manufacturing it into fuel briquettes which will sell at about 75 per cent of the cost of coal.

PRICE CHANGES

In tonnes unless stated otherwise	Sept. 7 1983	+ or —	Month ago
Metals			
Aluminium	£1050	....	£950
Free Mkt	$1655/1685	....	$1575/605
Copper			
Cash h grade	£1067	—1.5	£1086.5
3 mths	£1095.25	—1	£1113.25
Cash Cathode	£1034	—3.5	£1055
3 months	£1062.5	—2.5	£1082.25
Gold troy oz	$413.625	—4	$408.875
Lead Cash	£263.25	—1.25	£267.75
3 months	£273.125	—1.25	£277.75
Nickel	£4646.34	....	£4625.93
Free mkt	225/255c	....	215/235c
Palladium	$154.00	—3	$136.00
Platinum	£295.40	—0.95	£265.15
Quicksilver†	$285/295	....	$280/290
Silver troy oz	813.10p	—12.50	772.55p
3 mths	832.50p	—12.50	790.55p
Tin cash	£8627.5	+7.5	£8605
3 month	£8741.5	+1	£8697
Tungsten	$74.81	....	$82.73
Wolfam 22.04 lb	$76.82	....	$73.77
Zinc Cash	£573.25	+1.75	£522.75
3 mths	£589.25	+1.5	£537.75
Producers	$880	....	$820

	Sept. 7 1983	+ or —	Month ago
Oils			
Coconut (Phil)	$985y	+5	$995
Groundnut	$1040y	....	‡
Linseed Crude	£496.40	+1.05	£370
Palm Malayan	$615v	....	$505
Seeds			
Copra Phili	$645x	—5	$650
Soyabean (U.S.)	$364	+7.5	$313.25
Grains			
Barley Fut. Nov	£119.00	—0.20	£116.00
Maize	£144.00	....	£141.50
Wheat Fut. Nov	£124.60	—0.10	£122.55
No2 Hard Wint	‡	....	‡
Other commodities			
Cocoa ship't*	£1517	+20	£1726
Fut. Dec	£1456.5	+20	£1652.5
Coffee Ft. Nov	£1684.5	—11	£1677.5
Cotton A. Index	92.20c	—0.15	90.45c
Gas Oil Oct	$257.25	+1.25	$261.25
Rubber (kilo)	78.5p	—0.5	80p
Sugar (Raw)	£157y	—6	£175.5
Woolt'ps 64s.	393p kilo	....	395p kilo

‡ Unquoted. z Aug-Sept. u Nov. y Sept-Oct. x Oct-Nov. v Oct. † Per 76lb flask. * Ghana cocoa. n Nominal.

LONDON OIL SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.65-28.70	—0.05
Iranian Light	28.15-28.20	+0.02
Arabian Heavy	26.60-26.68	—0.01
North Sea (Forties)	30.50-30.80	+0.05
North Sea (Brent)	30.75	—0.05
African (Bonny Li'ht)	31.00	....
PRODUCTS—North West Europe CIF ($ per tonne)		
Premium gasoline	295 297	—
Gas oil	250 253	—25
Heavy fuel oil	170-171	—

GAS OIL FUTURES

The market staged a short-covering rally. Volume was good in London and buyers were encouraged by the upward reaction in New York. The approaching Jewish holidays encouraged local short-covering in New York, reports Premier Man.

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per tonne		
Sept.	253.25	+0.75	255.50-51.50
Oct	257.25	+1.25	257.50-56.50
Nov	261.00	+1.75	261.00-58.75
Dec	263.00	+2.00	263.00-60.50
Jan	260.75	+1.25	261.00-56.50
Feb	256.25	+0.75	256.75-55.00
Mar	253.00	+0.25	252.50
April	252.00	—	252.00-51.00
May	252.50	+2.50	—

Turnover: 2,641 (1,599) lots of 100 tonnes.

GOLD MARKETS

Gold fell $4 an ounce from Tuesday's close in the London bullion market yesterday to finish at $413¾-414. The metal opened at $412¾-413¼ and traded between a high of $413¾-414¼ and a low of $412-412½.

In Paris the 12½-kilo bar was fixed at FFr 108,000 per kilo ($413.86 per ounce) in the afternoon compared with FFr 108,000 ($415.02) in the morning and FFr 108,800 ($420.69) on Tuesday afternoon.

In Frankfurt the 12½-kilo bar was fixed at DM 35,845 per kilo ($413.98 per ounce) against DM 36,095 ($420.02) previously and closed at $413-413½ from $418-418½.

In Luxembourg the dollar per ounce equivalent of the 12½-kilo bar at the fixing was $413.25 against $418.30.

In Zurich gold finished at $412-415 from $417-420.

LONDON FUTURES

Month	Yest'rday's close	+ or —	Business Done
	$ per troy ounce		
Sept	413.60-14.3	—4.050	—
Oct.	416.50-17.0	—2.800	416.20-15.5
Nov.	419.50-21.0	—3.000	—
Dec.	425.70-23.9	—2.700	424.50-22.5
Jan.	427.00-29.0	—3.400	—
Feb.	430.50-31.5	—3.000	—
Mar.	434.00-35.9	—2.050	—

Turnover: 468 (431) lots of 100 troy ounces.

Gold Bullion (fine ounce)	Sept. 7		Sept. 6	
Close	$413¼-414	(£277¼-277¾)	$417¼-418	(£278¼-278¾)
Opening	$412¾-413½	(£276-276½)	$418¼-419	(£278¼-279¼)
Morning fixing	$413	(£276.310)	$418.25	(£278778.)
Afternoon fixing	$413.25	(£276.977)	$418.25	(£279.019)

Gold Coins Sept. 7					
Krugrnd	$426½-427¼	(£286-286½)	King Sov	$99½-101	(£66¾-67¾)
½ Krg	$219½-220½	(£147¼-147¾)	Victoria Sov	$99½-101	(£66¾-67¾)
¼ Krg	$112-113	(£75-75¾)	French 20s	$83½-85¼	(£56-57¼)
1/10 Krug	$46½-46½	(£30½-31¼)	50 pesos Mex	$504-506	(£338-339¼)
Mapleleaf	$426½-427½	(£286-286¾)	100 Cor. Aust	$405-408	(£271½-273½)
New Sov	$97½-98	(£65½-65¾)	$20 Eagles	$590-600	(£395½-402¼)
½ New Sov	$58-60	(£38¾-40¼)			

EUROPEAN MARKETS

ROTTERDAM, September 7.

Wheat—(U.S. $ per tonne): U.S. Two Red Winter, Sept 168.50, Oct 177, Nov 178.50, Dec 179. U.S. Northern Spring 14 per cent protein, Sept 186, Oct 185.50, Nov 187.50, Dec 191.50, April/May 198. U.S. Three Amber Durum, Sept 205, mid-Sept/mid-Oct 208, Oct 210, Nov 213, April/May 219.

Maize—(U.S. $ per tonne): U.S. Three Yellow, afloat 169.50, Sept 168.50, Oct 163.50, Nov 163.50, Dec 164.75, Oct/Dec 164, Jan/March 168, April/June 170 sellers, Argentine: afloat 171, Sept 172, Oct 175 sellers.

Soyameal—(U.S. $ per tonne): 44 per cent, afloat 287, Aug 288, Sept 288, Oct 289, Nov/March 29.50 sellers. Pellets Brazil: afloat 303, Aug 302, Sept 304, Oct 309, Nov 215 sellers. Pellets Argentine: afloat 291, Aug 295, Sept 295, Oct 296, Jan/March 307 sellers.

PARIS, September 7.

Cocoa—(FFr per 100 kg): Sept 1685/1715, Dec 1768/1774, March 1800/1810, May 1830 bid, July 1860 bid, Sept 1890 bid, Dec 1910 bid.

Sugar—(FFr per tonne): Oct 2195/2200, Dec 2355/2360, March 2520/2535, May 2605/2615, Aug 2675/2685, Oct 2730/2745.

BRITISH COMMODITY MARKETS

BASE METALS

ALUMINIUM VALUES continued to lose ground on the London Metal Exchange as renewed Trade and Commission House selling saw forward metal decline to £1,116 before a minor rally to £1,119.25. Other metals were unsettled by the downturn in aluminium and gold, with Copper closing the late Kerb at £1,096. Lead finally quoted at £273.25 and Zinc £591.75. Tin was finally £8,752.5.

COPPER

TIN

LEAD

ZINC

ALUMINIUM

NICKEL

£3,415, 13, 15, 10. Turnover: 1,056 tonnes.

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

SILVER

COCOA

COFFEE

GRAINS

POTATOES

Month	Yestday's close	Previous close	Business Done
	£ per tonne		
Nov	158.50	168.30	161.8-154.5
Feb	189.00	199.00	190.0-186.0
April	220.00	231.70	225.0-215.0
May	224.10	236.50	228.0-221.5
Nov	83.00	83.50	—

Turnover: 1,912 (1,138) lots of 40 tonnes.

RUBBER

SOYABEAN MEAL

SUGAR

WOOL FUTURES

COTTON

MEAT/FISH

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 95.15p per kg lw (+1.10). GB—Sheep 133.19p per kg est dcw (+17.96). GB—Pigs 72.84p per kg lw (+5.20).

SMITHFIELD—Pence per pound. Beef

INDICES

FINANCIAL TIMES

REUTERS

MOODY'S

DOW JONES

AMERICAN MARKETS

NEW YORK, September 7

Gold and silver attracted buying interest as the U.S. dollar weakened from early highs and financial futures strengthened. Copper attempted to rally along with precious metals but was unable to finish higher due to large exchange stocks. Manufacturer buying in cocoa helped the market recover from early losses as well as continued concern over West African crop prospects. Coffee weakened in quiet trade on a lack of fresh developments. Cotton was lower on long liquidation ahead of the USDA September 12 production forecast. Sugar attracted technical selling. Heating oil could not sustain early strength due to an expected rise in stocks in yesterday's trade report as well as reports of excess supplies in the New York harbour. The grain markets, eagerly awaiting government crop production this coming Monday, traded on both sides of the previous close and prices finished basically lower, reports Heinold Commodities Ltd.

NEW YORK

COFFEE "C" 37,000 lbs, cents/lb

	Close	High	Low	Prev
Sept	131.95	132.25	131.80	132.55
Dec	129.08	129.75	129.05	129.96
March	127.45	127.90	127.25	128.15
May	125.43	126.00	125.50	125.75
July	124.23	124.05	124.00	124.75
Sept	122.53	123.00	123.00	122.78
Dec	121.35	—	—	121.49

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Sept	72.45	72.50	71.90	72.50
Oct	73.05	72.90	72.90	73.10
Nov	73.75	—	—	73.80
Dec	74.40	74.60	73.75	74.50
Jan	75.15	74.80	74.80	75.25
March	76.60	76.75	76.00	76.65
May	78.00	77.85	77.50	78.05
July	79.40	79.60	78.80	79.40
Sept	80.75	80.15	80.00	80.75
Dec	82.70	82.90	82.10	82.70

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	441.2	440.5	440.5	442.5
Oct	443.2	445.5	442.0	444.5
Jan	448.2	450.0	447.0	450.0
April	453.2	455.5	451.5	455.5
July	460.2	461.0	458.0	462.7

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Sept	414.5	412.8	412.5	412.5
Oct	417.0	417.7	414.5	415.3
Nov	420.5	—	—	418.8
Dec	423.9	425.2	421.8	422.3
Feb	431.4	432.5	429.3	429.9
April	439.0	439.0	438.3	437.6
June	446.8	447.0	444.8	445.5
Aug	454.8	456.0	453.8	453.6
Oct	462.9	—	—	461.8
Dec	471.1	471.3	469.6	470.1
Feb	479.4	479.0	479.0	478.5
April	487.8	—	—	487.1
June	496.5	—	—	495.9

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Sept	1217.5	1222.0	1205.0	1216.7
Oct	1223.8	—	—	1223.8
Dec	1246.0	1263.0	1234.0	1246.0
Jan	1257.2	1256.0	1256.0	1257.3
March	1279.8	1285.0	1268.0	1280.0
May	1302.5	1305.0	1295.0	1302.7
July	1325.2	—	—	1325.4
Sept	1347.9	1356.0	1340.0	1348.1
Dec	1381.8	1383.0	1383.0	1382.0

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
Oct	10.01	10.14	9.96	10.24
Jan	10.74	10.90	10.70	11.00
March	11.45	11.49	11.30	11.52
May	11.81	11.82	11.65	11.85
July	12.05	12.05	11.92	12.10
Sept	12.28	12.25	12.24	12.30
Oct	12.47	12.50	12.37	12.50
Jan	12.60	—	—	12.50

CHICAGO

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	62.65	63.70	62.35	62.87
March	62.75	63.72	62.60	62.97
May	64.75	65.35	64.40	64.75
July	65.57	66.40	65.35	65.55
August	63.32	64.50	63.05	63.12

SOYABEANS 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Sept	920.0	926.0	912.0	919.2
Nov	931.0	939.4	921.0	931.4
Jan	942.0	952.4	934.0	943.4
March	956.0	964.0	946.0	964.0
May	959.0	966.0	949.0	954.0
July	954.0	962.0	945.0	948.4
August	919.0	924.0	910.0	914.4
Sept	826.0	833.0	816.0	820.4
Nov	753.0	762.0	749.4	753.0

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Sept	365.2	366.2	363.0	364.6
Dec	363.4	366.0	362.0	364.6
March	371.4	374.4	370.2	373.4
May	376.6	380.0	375.4	377.4
July	377.0	380.0	375.4	378.4
Sept	348.0	350.0	346.0	349.2
Dec	323.4	324.4	321.0	321.6

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Oct	42.40	42.92	42.15	42.22
Dec	42.70	43.15	42.25	42.32
Feb	46.25	46.80	45.90	46.07
April	47.55	47.95	47.25	47.07
June	54.10	54.32	53.80	53.77
July	54.95	55.47	54.90	54.85
August	53.77	54.35	53.50	53.40
Oct	53.00	53.00	53.00	53.00
Dec	54.50	54.50	54.50	54.50

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Oct	54.74	58.00	57.20	57.05
Dec	58.27	58.82	58.15	58.10
Feb	59.90	60.50	59.85	59.87
April	62.55	63.10	62.50	62.60
June	64.60	64.90	64.30	64.52
August	63.77	64.25	63.65	63.75

WHEAT 5,000 bu min, cents/60lb-bushel

	Close	High	Low	Prev
Sept	382.2	386.0	381.4	386.4
Dec	403.0	406.6	401.4	406.8
March	418.2	421.2	416.4	420.8
May	423.6	427.0	422.6	426.0
July	413.6	416.4	413.0	416.0
Sept	420.2	422.4	419.4	422.0

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Sept	33.55	33.65	33.05	32.95
Oct	33.70	33.90	33.25	33.22
Dec	34.05	34.20	33.45	33.16
Jan	33.95	34.15	33.40	33.52
March	33.85	34.00	33.40	33.48
May	33.35	33.45	32.90	33.00
July	32.85	32.90	32.35	32.45
August	31.25	31.25	30.90	31.00
Sept	28.10	28.40	28.00	28.00
Oct	26.10	26.25	26.00	26.00

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Sept	245.5	251.0	244.0	249.8
Oct	247.0	251.7	244.5	250.2
Dec	249.0	255.0	247.5	253.2
Jan	250.0	255.5	248.5	254.0
March	252.5	256.5	251.0	255.5
May	254.0	257.0	253.0	256.5
July	257.5	258.0	254.0	258.0
August	245.0	251.0	241.0	244.8

SPOT PRICES—Chicago loose lard 25.00 (26.00) cents per pound. New York tin 590.0-599.0 (534.0-603.0) cents per pound.

Cut in Far Eastern freight rate increase

THE Far Eastern Freight Conference (FEFC) has reduced and postponed planned rate increases, conference sources said yesterday, AP-DJ reports from Singapore.

In a statement issued in Singapore, the FEFC said it reduced its general rate increase to 12.5 per cent from a preliminary 15.27 per cent. It put off the effective date to January 1, from November 1. The last general rate increase was in January 1981.

The changes were made at the request of the Federation of Asean Association of South-East Asian Nations Shippers Councils.

Mitsubishi to build Chile power station

Mitsubishi Heavy Industries said it has received a contract from the Corporation Nacional del Cobre de Chile for a $55.4m coal-fired 78,000 kw power station, Reuter reports from Tokyo.

It will be built at the Tocopilla power complex which serves the Chuquicamata district where a large strip copper mine is located. The increase in power supplies will help develop the mining industry and municipal infrastructure.

Mitsubishi Electric will supply the electrical equipment and Chile will provide the coal from the Magallanes area.

CURRENCIES, MONEY and CAPITAL MARKETS

FOREIGN EXCHANGES

Dollar maintains firmer trend

The dollar continued to improve in currency markets yesterday, underpinned by fears of higher interest rates after this week's money supply figures and the Federal authorities refunding package due later this month.

Sterling lost ground in late trading after a firmer start. It finished at its lowest level for a month against the dollar and on its trade weighted index.

STERLING — Trading range against the dollar in 1983 is 1.6245 to 1.4540. August average 1.5027. Trade weighted index 84.6 against 85.2 at noon and 85.1 at the opening and compared with 85.1 at Tuesday's close and 79.6 six months ago. The pound has been quite steady recently but is beginning to look a little fragile against European currencies as upward pressure eases on interest rates. As with other currencies it is currently hostage to the varying fortunes and fluctuations of the U.S. dollar.

Sterling opened at $1.4965 against the dollar but started to lose ground, touching a low of $1.4860 after the entry of New York into the market. It closed at $1.4910-1.4920, a fall of 75 points. It was also lower against the D-mark at DM 4.01 from DM 4.02 and SwFr 3.2550 from SwFr 3.2650. In terms of the French franc it slipped to FFr 12.0550 from FFr 12.09 and Y366.0 compared with Y368.75.

DOLLAR — Trade weighted index (Bank of England 129.3 against 119.5 six months ago. The latest figures on money supply have given rise to cautious optimism, although fears remain about a September bulge in M1. The dollar has recently been at record levels on fears of higher U.S. interest rates as a result of the U.S. budget deficit and money supply growth.

The dollar closed at DM 2.6870 from DM 2.6805 against the D-mark and SwFr 2.1805 from SwFr 2.1775 against the Swiss franc. It was slightly easier against the yen at Y245.70 from Y245.75 but improved against the French franc to FFr 8.0850 from FFr 8.0675.

D-MARK — Trading range against the dollar in 1983 is 2.7315 to 2.3320. August average 2.6736. Trade weighted index 125.5 against 129.9 six months ago. Until the recent slowdown in U.S. M1 money supply, the D-mark has been at its lowest level for nearly ten years against the dollar, reflecting the large differential between U.S. and German interest rates. A softer trend in U.S. rates would help to postpone a rise in German rates although there are growing fears over excessive German money growth.

The dollar rose to DM 2.6936 at yesterday's fixing in Frankfurt up from Tuesday's fixing of DM 2.6718. Demand for the dollar was underpinned by fears once again of higher U.S. interest rates. The Bundesbank sold around $26.1m at the fixing with the D-mark further depressed by indications that there will be no rise in German rates after today's Bundesbank meeting. Elsewhere sterling improved to DM 4.0240 from DM 4.0040.

BELGIAN FRANC — Trading range against the dollar in 1983 is 54.49 to 45.90. August average 53.63. Trade weighted index 91.0 against 94.8 six months ago. The Belgian franc is the weakest member of the EMS but has not been under any real pressure due to the weakness of European currencies against the dollar. However, a switch back into currencies such as the D-mark may ultimately lead to renewed strains on the weaker members of the system.

The Belgian National Bank spent the equivalent of BFr 4.4bn in the week ending September 5 to support the Belgian franc against the French franc, according to figures released yesterday. Although trading close to its cross rate limit against the French franc, the Belgian unit has remained within its ECU divergence limit, however. At yesterday's fixing the French franc was quoted at BFr 6.6790 down slightly from BFr 6.6795. The D-mark was also marginally easier at BFr 20.1035 from BFr 20.1095 while the dollar rose to BFr 54.2275 from BFr 53.73. Sterling was higher at BFr 80.9650 from BFr 80.5625.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU September 7	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	44.9008	45.7964	+1.99	+1.21	±1.5447
Danish Krone	8.14104	8.17786	+0.45	−0.33	±1.6425
German D-Mark	2.24184	2.27788	+1.61	+0.83	±1.0642
French Franc	6.87456	6.85604	−0.27	−1.05	±1.4052
Dutch Guilder	2.52595	2.54875	+0.90	+0.12	±1.4964
Irish Punt	0.72569	0.724053	−0.23	−1.01	±1.6699
Italian Lira	1403.49	1359.66	−3.12	−3.12	±4.1505

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

OTHER CURRENCIES

Sept. 7	£	$		£ Note Rates
Argentina Peso	17.25-17.30	11.53-11.56	Austria	28.15-28.45
Australia Dollar	1.6985-1.7105	1.1400-1.1406	Belgium	80.90-81.80
Brazil Cruzeiro	1,020.27-1,025.45	682.0-685.0	Denmark	14.40-14.54
Finland Markka	8.5595-8.5650	5.7390-5.7410	France	12.05-12.17
Greek Drachma	138.80-139.40	92.70-93.00	Germany	4.00½-4.04½
Hong Kong Dollar	11.47½-11.52½	7.715-7.735	Italy	2365-2415
Iran Rial	131.50*	87.50*	Japan	368-372
Kuwait Dinar (KD)	0.4340-0.4345	0.29215-0.29220	Netherlands	4.48-4.53
Luxembourg Fr	80.60-80.70	54.06-54.08	Norway	11.15-11.26
Malaysia Dollar	3.5025-3.5175	2.3550-2.3570	Portugal	183-206
New Zealand Dlr	2.2930-2.2970	1.5385-1.5405	Spain	220-234
Saudi Arab. Riyal	5.1735-5.1785	3.4805-3.4815	Sweden	11.79-11.91
Singapore Dollar	3.1925-3.2075	2.1450-2.1470	Switzerland	3.25-3.28
Sth. African Rand	1.6795-1.6810	1.1260-1.1270	United States	1.48½-1.50½
U.A.E. Dirham	5.4575-5.4635	3.6715-3.6750	Yugoslavia	182-190

* Selling rates.

CURRENCY MOVEMENTS

Sept. 6	Bank of England Index	Morgan Guaranty Change %
Sterling	84.6	−6.3
U.S. dollar	129.3	+17.4
Canadian dollar	93.0	+1.5
Austrian schilling	116.2	+2.9
Belgian franc	91.0	−11.0
Danish kroner	79.7	−5.4
Deutsche mark	125.5	+6.6
Swiss franc	150.6	+18.0
Guilder	115.4	+4.1
French franc	67.7	−14.3
Lira	50.2	−10.7
Yen	146.5	+8.0

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

CURRENCY RATES

SEPT. 7	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.700100	0.566871
U.S. $	8½	1.04637	0.845694
Canadian $	9.54	*	1.04139
Austria Sch	3¾	19.8088	16.0005
Belgian F	9	56.7420	45.7964
Danish Kr	7½	10.1168	8.17786
D mark	4	2.81850	2.27788
Guilder	4½	3.15585	2.54875
French F	9½	8.49286	6.85604
Lira	17	1682.30	1359.66
Yen	5½	257.826	208.168
Norwgn Kr	9	7.83208	6.32664
Spanish Pta	—	169.676	139.137
Swedish Kr	8½	8.28045	6.69959
Swiss Fr	4	2.28632	1.84700
Greek Dr'ch	20½	97.4484	78.6754

*C$/SDR rate for Sept 6: 1.29104.

THE POUND SPOT AND FORWARD

Sept 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4860-1.4975	1.4910-1.4920	0.02-0.07c dis	−0.36	0.17-0.22dis	−0.52
Canada	1.8310-1.8440	1.8360-1.8370	0.10c pm-par	0.33	0.17-0.07pm	0.26
Nethlnd.	4.47-4.52	4.48-4.49	1⅝-1¼c pm	4.01	4⅛-3⅞ pm	3.45
Belgium	80.40-81.10	80.60-80.70	10c pm-par	0.74	12-2 pm	0.34
Denmark	14.36-14.46	14.38½-14.39½	4⅞-5½ore dis	−4.12	7⅞-8⅞ dis	−2.22
Ireland	1.2715-1.2815	1.2735-1.2745	0.23-0.27p dis	−2.35	0.60-0.67dis	−1.99
W. Ger.	4.00-4.03	4.00½-4.01½	1⅝-1¼pf pm	4.49	4⅛-3⅞ pm	3.86
Portugal	185.00-186.50	185.50-186.00	175-445c dis	−20.03	515-1215dis	−18.63
Spain	227.50-228.50	227.60-227.80	265-350c dis	−16.20	995-1115dis	−18.53
Italy	2386-2404	2393-2395	15-17lire dis	−8.02	45½-48½dis	−7.85
Norway	11.11½-11.20½	11.14½-11.15½	3½-3¾ore dis	−3.70	10-10⅞ dis	−3.74
France	12.03½-12.13½	12.05-12.06	3-4c dis	−3.48	15-17 dis	−5.31
Sweden	11.76-11.85	11.81-11.82	1⅞-2⅞ore dis	−2.09	4⅝-5½ dis	−1.74
Japan	365-369½	365½-366½	0.95-0.75y pm	2.79	2.75-2.55 pm	2.90
Austria	28.07-28.32	28.20-28.25	11-8⅝gro pm	4.30	28¼-23⅞ pm	3.67
Switz.	3.24½-3.27½	3.25-3.26	1⅝-1¼c pm	5.53	4⅛-3⅞ pm	5.07

Belgian rate is for convertible francs. Financial franc 81.15-81.25. Six-month forward dollar 0.39-0.44c dis. 12-month 0.73-0.83c dis.

THE DOLLAR SPOT AND FORWARD

Sept 7	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4860-1.4975	1.4910-1.4920	0.02-0.07c dis	−0.36	0.17-0.22dis	−0.52
Ireland†	1.1665-1.1720	1.1710-1.1720	0.36-0.30c pm	3.39	0.88-0.78 pm	2.84
Canada	1.2305-1.2320	1.2310-1.2315	0.09-0.06c pm	0.73	0.24-0.21 pm	0.73
Nethlnd.	3.0050-3.0150	3.0050-3.0070	1.12-1.02c pm	4.26	3.00-2.90 pm	3.92
Belgium	54.06-54.20	54.06-54.08	7-6c pm	1.44	14-11 pm	0.92
Denmark	9.6400-9.6800	9.6400-9.6450	2-2½ore dis	−2.79	par-½ dis	−0.10
W. Ger.	2.6850-2.6980	2.6865-2.6875	1.07-1.02pf pm	4.66	3.00-2.95 pm	4.42
Portugal	124.20-125.00	124.40-124.70	115-290c dis	−19.51	330-790dis	−17.98
Spain	152.40-152.70	152.50-152.60	170-220c dis	−15.33	675-775dis	−18.99
Italy	1604-1608	1605-1606	10-10½lire dis	−7.65	29½-31 dis	−7.53
Norway	7.4730-7.4940	7.4730-7.4780	1.90-2.20ore dis	−3.29	5.90-6.20dis	−3.23
France	8.0775-8.1225	8.0825-8.0875	2.02-2.12c dis	−3.07	9.65-9.85dis	−4.81
Sweden	7.9120-7.9265	7.9120-7.9170	0.90-1.10ore dis	−1.51	2.25-2.45dis	−1.19
Japan	245.50-246.50	245.65-245.75	0.69-0.64y pm	3.24	2.11-2.03 pm	3.36
Austria	18.89-18.95½	18.89-18.90	7.50-6.70gro pm	4.50	21.00-18.50pm	4.17
Switz.	2.1770-2.1875	2.1800-2.1810	1.10-1.05c pm	5.91	3.10-3.05 pm	5.63

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 54.40-54.45.

EXCHANGE CROSS RATES

Sept. 7	Pound St'rling	U.S. Dollar	Deutschem'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1	1.492	4.010	366.0	12.055	3.255	4.495	2394.	1.837	80.65
U.S. Dollar	0.670	1.	2.689	245.4	8.082	2.182	3.007	1605.	1.231	54.07
Deutschmark	0.249	0.372	1.	91.27	3.006	0.812	1.118	597.0	0.458	20.11
Japanese Yen 1,000	2.732	4.075	10.96	1000.	32.94	8.893	12.25	6541.	5.018	220.4
French Franc 10	0.830	1.237	3.326	303.6	10.	2.700	3.720	1986.	1.523	66.90
Swiss Franc	0.307	0.458	1.232	112.4	3.704	1.	1.378	735.5	0.564	24.78
Dutch Guilder	0.223	0.333	0.894	81.61	2.688	0.726	1.	533.8	0.409	17.98
Italian Lira 1,000	0.418	0.623	1.675	152.9	5.036	1.360	1.875	1000.	0.767	33.69
Canadian Dollar	0.545	0.812	2.184	199.3	6.564	1.772	2.442	1304.	1.	43.92
Belgian Franc 100	1.240	1.849	4.972	453.8	14.95	4.036	5.561	2968.	2.277	100.

FINANCIAL FUTURES

Volume improves

Trading picked up after a dull start to the week in the London International Financial Futures Exchange yesterday. Volume in the gilt sector improved considerably, helped by early news, later corrected that supplies of Treasury 12 per cent 1995 had been exhausted. Although this proved to be incorrect and prices slipped from the day's highs, contracts finished above Tuesday's closing levels. Failure to maintain the day's highs also reflected sterling's weaker performance later in the day but the market appears to be increasingly accommodative to the idea that a rise in UK interest rates is unlikely and arguably unnecessary.

Current lethargy in the cash market is primarily a reflection of the uncertainty surrounding U.S. interest rates. Although a rise in U.S. rates later this month seems likely in view of seasonal distortions in U.S. money supply and the Federal Reserve's refunding package, the market seems to be a little more relaxed if a longer term view is taken. Discussion now tends to centre on how much UK interest rates will move if at all, before gaining some positive lead from U.S. markets. The December contract opened yesterday at 104-24 up from 104-10 on Tuesday and touched a best level of 105-15 before closing at 105-01.

Sterling deposits showed very little change, hampered by a static cash marke

Euro-dollar prices rallied from a weaker start despite money supply fears, reflecting a rather indifferent cash market. The December price opened at 89.39 down from 89.43 but finished at 89.46.

LONDON

THREE-MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev
Sept	90.05	90.05	89.97	90.00
Dec	89.46	89.47	89.36	89.43
March	89.15	89.15	89.07	89.12
June	88.94	88.94	88.85	88.90
Sept	88.76	88.76	88.70	88.70

Volume 2,077 (1,499)
Previous day's open int. 5,511 (5,379)

THREE-MONTH STERLING DEPOSIT
£250,000 points of 100%

	Close	High	Low	Prev
Sept	90.42	90.46	90.41	90.40
Dec	89.95	89.98	89.93	89.93
March	89.65	89.66	89.60	89.60
June	89.42	89.44	89.42	89.44
Sept	89.22	—	—	89.18

Volume 756 (695)
Previous day's open int. 3,886 (3,973)

20-YEAR 12% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev
Sept	102-19	102-22	102-14	102-05
Dec	105-01	105-15	104-22	104-10
March	104-21	104-21	104-10	103-30
June	104-10	—	—	103-16
Sept	103-28	—	—	103-02

Volume 3,759 (1,499)
Previous day's open int. 4,358 (4,599)
Basis quote (clean cash price of 15¼% Treasury 1998 less equivalent price of near futures contract) par to 08 (32nds)

STERLING £25,000 $ per £

	Close	High	Low	Prev
Sept	1.4880	1.4965	1.4865	1.4988
Dec	1.4908	1.4984	1.4890	1.5018
March	1.4925	—	—	1.5038

Volume 658 (393)
Previous day's open int. 1,007 (1,036)

DEUTSCHE MARKS
DM 125,000 $ per DM

	Close	High	Low	Prev
Sept	0.3716	0.3723	0.3712	0.3740
Dec	0.3758	0.3764	0.3753	0.3782
March	0.3802	—	—	0.3826

Volume 54 (97)
Previous day's open int. 417 (443)

SWISS FRANCS
SwFr 125,000 $ per SwFr

	Close	High	Low	Prev
Sept	0.4584	—	—	0.4607
Dec	0.4648	0.4655	0.4643	0.4670
March	—	—	—	—

Volume 24 (50)
Previous day's open int. 233 (266)

JAPANESE YEN Y12.5m $ per Y100

	Close	High	Low	Prev
Sept	0.4065	—	—	0.4073
Dec	0.4101	0.4102	0.4101	0.4106
March	—	—	—	—

Volume 40 (37)
Previous day's open int. 175 (292)

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	71-06	71-10	70-17	70-23
Dec	70-20	70-25	69-31	70-05
March	70-04	70-09	69-16	69-21
June	69-24	69-28	69-05	69-08
Sept	69-13	69-16	68-31	68-29
Dec	69-04	69-07	68-22	68-20
March	68-28	68-31	68-19	68-12
June	—	—	—	68-05
Sept	—	—	—	—
Dec	—	—	—	—
March	—	—	—	—

U.S. TREASURY BILLS (IMM) $1m
points of 100%

	Latest	High	Low	Prev
Dec	90.45	90.48	90.26	90.31
March	90.11	90.15	89.94	89.97
June	89.91	89.93	89.74	89.76
Sept	89.73	89.77	89.55	89.55
Dec	89.43	89.58	89.43	89.39
March	89.34	89.40	89.34	89.25
June	89.20	89.23	89.19	89.12

CERT. DEPOSIT (IMM) $1m points of 100%

	Latest	High	Low	Prev
Sept	90.36	90.39	90.27	90.29
Dec	89.74	89.79	89.55	89.61
June	89.12	89.14	88.99	89.01

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev
Sept	89.78	89.82	89.71	89.73
Dec	89.28	89.34	89.11	89.16
March	88.97	88.99	88.79	88.83
June	88.73	88.76	88.58	88.62

STERLING (IMM) Se per £

	Latest	High	Low	Prev
Sept	1.4905	1.4945	1.4860	1.4960
Dec	1.4900	1.4970	1.4880	1.4985
June	1.5000	1.5010	1.4910	1.5045
Sept	—	—	—	—
Dec	—	—	—	—

GNMA (CBT) 8% $100,000 32nds of 100%

	Latest	High	Low	Prev
Sept	69-15	69-19	69-04	69-05
Dec	68-12	68-16	67-31	68-03
March	67-15	67-19	67-08	67-07
June	66-27	66-27	66-18	66-17
Sept	66-09	66-09	66-00	66-00
Dec	65-24	65-24	65-17	65-18
March	—	—	—	—
June	—	—	—	64-28
Sept	—	—	—	—
Dec	—	—	—	—
March	—	—	—	—
June	—	—	—	—

MONEY MARKETS

UK rates maintain softer pattern

UK clearing bank base lending rate 11 per cent (since July 14)

UK interest rates continued to ease very slightly yesterday. The market was aware on the one hand of Tuesday's encouraging UK money supply figures and wholesale price index and the slow dissipation of upward pressure on rates but equally aware of the firmer trend in U.S. interest rates. A rise in the latter may well prove to be a temporary affair but there is still little talk of a cut in UK base rates for some time yet. Trading was confined to a rather narrow range yesterday with overnight interbank money rates restricted to 9⅛-11 per cent.

The Bank of England forecast a shortage of around £300m although this was later revised to £400m. Factors affecting the market included maturing assistance and a take up of Treasury bills —£89m and Exchequer transactions —£210m. In addition there was a rise in the note circulation of £50m. Assistance in the morning totalled £299m and was made up of purchases of eligible bank bills, £115m in band 1 (up to 14 days) at 9 9/16 per cent, £124m in band 2 (15-33 days) at 9½ per cent, £3m in band 3 (34-63 days) at 9 7/16 per cent and £57m in band 4 (64-91 days) at 9⅜ per cent. Additional help in the afternoon comprised purchases of £9m of eligible bank bills in band 1 at 9 9/16 per cent.

In Frankfurt the Bundesbank announced its intention not to hold a press conference after today's meeting of the central council. On previous occasions this has meant that key lending rates and credit policies have been left unchanged. However, there has been strong speculation just recently that the authorities were considering an increase in the Lombard rate, prompting major banks to push forward with the build up of reserves at the potentially cheaper rate. Consequently borrowings through the Lombard facility have risen sharply

LONDON MONEY RATES

Sept. 7 1983	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount Market Deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	9⅛-11	9¼	—	—	9⅛-10	9¼-9½	—	—	—
2 days notice	—	—	9¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	9¾-9⅞	—	—	—	—
7 days notice	—	9⅜-9 11/16	9¼-9⅝	—	—	—	9⅜	—	—	—
One month	9 9/16-9 7/16	9½-9 11/16	9½	10-9¾	9⅝	9⅞	9⅜	9 17/32	9 17/32	10 3/16
Two months	9 19/32-9⅝	9 9/16-9 11/16	9½	10⅛-9⅞	9⅝	10	9⅜	9 15/32	9 15/32	10 3/16
Three months	9 11/16-9⅝	9 11/16-9 13/16	9⅝	10¼-10	9¾	10	9⅜-9½	9 15/32	9⅝	10
Six months	9⅞-9 13/16	10-10⅛	9⅞-10	10⅛-9⅞	10⅛	—	—	—	9 15/32	10 3/16
Nine months	10 1/16-9 15/16	10¼-10⅜	10	10⅜-10⅛	10⅛	—	—	—	—	—
One year	10 3/16-10	10⅜-10½	10¼	10⅜-10⅛	10½	—	—	—	—	—
Two years	—	—	11⅛	—	—	—	—	—	—	—

ECGD Fixed Rate Export Scheme IV. Average Rate for interest period August 3 to September 6 1983 (inclusive) 9.930 per cent.

Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority mortgage rates nominally three years 11⅛ per cent; four years 11⅛ per cent; five years 11¼ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rate for four-months bank bills 9 13/32 per cent; four months trade bills 10 1/32 per cent.

Approximate selling rate for one month Treasury bills 9½ per cent; two months 9 13/32 per cent and three months 9 9/32 per cent. Approximate selling rate for one month bank bills 9½ per cent; two months 9 13/32 per cent and three months 9 13/32 per cent; trade bills 9 29/32 per cent; two months 9 27/32 per cent and three months 9¾ per cent.

Finance Houses Base Rate (published by the Finance Houses Association) 10 per cent from September 1 1983. London and Scottish Clearing Bank Rates for lending 9½ per cent. London Deposit Rates for sums at seven days' notice 6 per cent.

Treasury Bills: Average tender rates of discount 9.3343 per cent. Certificates of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¾ per cent; one-three months 10 per cent; three-six months 10¼ per cent; six-12 months 10¼ per cent. Under £100,000 9½ per cent from September 1. Deposits held under Series 4-5 10 per cent. The rates for all deposits withdrawn for cash 8 per cent.

INTEREST RATES

EURO-CURRENCY INTEREST RATES

(Market closing rates)

Sept. 6	Short term	7 days notice	Month	Three Months	Six Months	One Year
Sterling	9½-9¾	9½-9¾	9⅝-9¾	9 11/16-9 13/16	10-10⅛	10 3/16-10 5/16
U.S. Dollar	9⅛-9⅜	9½-9¾	9¾-10	10-10¼	10⅜-10⅝	10¾-11
Can. Dollar	9-9½	9-9½	9-9¼	9 5/16-9 7/16	9¾-10	10 3/16-10 7/16
D. Guilder	5⅜-5⅝	5½-5¾	5¾-5⅞	6⅛-6¼	6 5/16-6 7/16	6¾-6⅞
S. Franc	3⅛-3⅜	3⅛-3⅜	4⅛-4¼	4⅜-4½	4¾-4⅞	4¾-4⅞
Deutschm'rk	5-5⅛	5 3/16-5 5/16	5 7/16-5 9/16	5⅝-5¾	6-6⅛	6 3/16-6 5/16
Fr'nch Franc	12⅛-12⅝	12¼-12⅞	13⅝-13⅞	14¾-15	16½-16¾	16¾-17
Italian Lira	15¾-16¾	16-17½	17-17½	17⅝-18⅛	18½-19	19¼-20
Belg. Franc Conv.	6¼-6¾	7¼-7¾	8¼-8¾	9-9½	9¾-10¼	10¼-10¾
Fin.	6¼-6¾	8¼-8½	8⅝-8⅞	9-9⅛	9 5/16-9 11/16	9 13/16-10 1/16
Yen	6⅞-7	6⅞-7	6 7/16-6 9/16	6¾-6⅞	6 11/16-6 13/16	6¾-6⅞
D. Krone	14¼-14¾	14⅝-15⅛	13⅜-13⅞	12-12½	11⅝-12⅛	11½-12
Asia $ (Sing.)	9½-9⅝	9 5/16-9 7/16	9 11/16-9 13/16	10⅛-10¼	10 7/16-10 9/16	10 11/16-10 13/16

FT LONDON INTERBANK FIXING

(11.00 a.m. SEPTEMBER 7)

3 month U.S. dollars		6 month U.S. dollars	
bid 10 1/8	offer 10 1/4	bid 10 7/16	offer 10 9/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth of the bid and offered rates for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Prime rate	11
Fed funds (lunch-time)	9⅝-9¾
Treasury bills (13-week)	9.17
Treasury bills (26-week)	9.35

GERMANY

Lombard	5.0
Overnight rate	5.10
One month	5.60
Three months	5.95
Six months	6.45

FRANCE

Intervention rate	12.25
Overnight rate	12.25
One month	12.4375
Three months	12.4375
Six months	12.50

JAPAN

Discount rate	5.5
Call (unconditional)	6.64062
Bill discount (3-month)	6.78125

SWITZERLAND

Discount rate	4
Overnight rate	3-3½
One month	4⅛-4¼
Three months	4¼-4½

NETHERLANDS

Discount rate	4½
Overnight rate	4¾-5
One month	5⅝-5¾
Three months	6⅛-6¼
Six months	6⅛-6½

$ CERTIFICATES OF DEPOSIT

One month	9.55-9.65
Three months	9.75-9.85
Six months	10.15-10.25
One year	10.45-10.65

LONG TERM EURO $

Two years	11¾-12
Three years	12-12¼
Four years	12¼-12½
Five years	12⅜-12⅝

SDR LINKED DEPOSITS

One month	8 13/16-9 1/16
Three months	9 3/16-9 7/16
Six months	9¾-10
One year	9 15/16-10 3/16

ECU LINKED DEPOSITS

One month	8¾-9
Three months	9 1/16-9 5/16
Six months	9 13/16-10 1/16
One year	10⅛-10⅜

INTERNATIONAL CAPITAL MARKETS

EUROBONDS

Canadian warrants suit mood of market

By Peter Montagnon, Euromarkets Correspondent

MERRILL LYNCH, the U.S. investment house, yesterday launched the first issue of warrants in the Euromarket to buy a domestic Canadian government bond.

Initial response to its offer of 50,000 warrants to buy the 10¼ per cent bonds maturing in 2004 at a price of 87½ met with a very positive response and expectations last night were that the amount of warrants could be increased. They are priced at C$25 each and exercisable until March next year. The underlying bonds themselves were trading yesterday at 86⅞.

The issue of Canadian warrants reflects a growing appetite in the Euromarkets for instruments allowing investors to hedge against interest rate movements without putting up much money in today's volatile exchange markets. Last week Merrill Lynch led a Eurobond and warrant issue in Canadian dollars for Hydro-Quebec.

The secondary market for U.S. dollar bonds was meanwhile struggling to hold on to its gains of early this week yesterday as the lower U.S. money supply still failed to lure investors into the market.

Prices closed slightly lower in mixed trading with some dealers saying that Tuesday's new issues for Ontario Hydro and the EEC had acted as a further market depressant. After a positive start both issues were quoted at wider discounts yesterday with the 11¼ per cent Ontario bonds about ⅜ points lower at a discount of 1¼ and the EEC down ⅛ at 1⅝.

No further issues were launched yesterday, although the market is expecting a $50m convertible issue soon for Yamanouchi, the Japanese pharmaceutical manufacturer.

First Boston's warrant issue was also at a discount. The warrants to buy 10⅜ per cent U.S. Treasury bonds due 2012 at a price of 96 were quoted at $36¼ compared with their issue price of $38. The warrants to sell the same bonds at 84 traded at $19⅝ compared with their issue price of $21.50.

Swiss bonds were slightly firmer in more active trading. Hanwa, the Japanese trading house has launched a SwFr 80m convertible private placement through Banca del Gottardo. The 10 year issue bears an indicated coupon of 3⅝ per cent at par.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices which is published monthly. The following are closing prices for September 7.

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Amex O/S Fin 10¼ 90	100	92⅜	92⅞	-0¼	-0⅛	11.90
Bank of America 6 88 XW	150†*	85	85½	-0⅞	-0⅞	12.42
Bank of Tokyo Hold 11 90	100	93¼	93¾	0	+0¾	12.47
British Col Hyd 10¼ 88	200	95½	96	-0¼	-0⅛	11.46
C.C.C.E. 11¾ 97	100	92	92½	-0⅛	-0⅜	12.94
C.I.B.C. 11 90	75	90⅞	91⅛	-0¼	1⅛	13.13
Citicorp O/S 10¾ 90	100	91¼	91¾	0	+1	12.28
Coca Cola Int 9⅞ 92	100	90⅞	91⅜	0	+1	11.51
Cred Suisse BAH 10½ 90	150†	94	94½	0	-0⅜	11.78
Credit Suisse 10½ 89	100†	95⅛	95⅝	0	-0⅝	11.55
Gen Norsk Cred 11⅞ 93	50	91½	92	0⅛	+0¼	12.76
Du Pont 11⅛ 95	150	97⅝	98⅛	0	+0⅜	11.57
E.C.S.C. 11⅞ 90	75	98⅛	98⅝	0	+1⅛	12.22
E.D.C. 10¾ 88	100	96⅛	96⅝	-0⅞	-0¼	11.82
E.D.C. 11¾ 87	100	99⅛	99¾	+0⅛	-0⅞	11.88
E.D.F. 11⅛ 93	100	90¾	91¼	-0¼	+0⅞	12.77
E.E.C. 10¾ 95	75	88	88½	-0⅜	+0⅝	12.72
E.E.C. 11 87	350	97½	98	-0¼	+1⅛	11.73
E.I.B. 10¾ 93	200	90⅞	91⅜	-0¼	+0½	12.35
E.I.B. 11 91	125	93⅜	93⅞	0	+0⅞	12.32
Electrolux 10½ 90	50	90⅜	90⅞	0	-0⅛	12.62
Enserch Fin 11⅝ 93	100	92⅝	93⅛	0	-1⅛	12.93
Fuji Int Fin 10⅞ 90	100†	91⅜	91⅞	+0⅛	+0⅜	12.78
Gen Elec Credit 9¾ 91	100	89⅞	90⅜	0	+0¾	11.72
GMAC O/S Fin 10½ 90	200	94⅝	95⅛	0	+0⅜	11.65
Honeywell Int 10¾ 90	100	96⅝	97⅛	0	+1⅛	11.42
Indust Bk Japan 10⅞ 88	100	95½	96	0	-0¼	12.08
Japan Air Lines 10⅞ 98	42	90⅛	90⅝	0	+1⅛	12.30
Japan Air Lines 11 93	75	93⅝	94⅛	-0⅛	+0⅝	12.08
J. P. Morgan 11⅜ 90 XW	150	97⅜	97⅞	-0⅛	-0½	11.89
Levi Strauss Int 11 90	75	94⅝	95⅛	-0⅛	+0¾	12.13
L.T.C.B. 10¾ 90	100	90¾	91¼	0	+0½	12.79
Merrill Lynch 10⅝ 90	200	93	93½	0	+1⅛	12.13
Midland Int Fin 11½ 92	150	95¼	95¾	-0⅜	+0⅝	12.32
Mitsubishi Corp 10½ 90	100	92⅝	93⅛	-0⅛	+0⅞	12.09
Mitsubishi Fin 11⅛ 90	100	94¼	94¾	-0⅛	+0¼	12.60
Nippon Credit 11 90	100	91⅝	92⅛	0	+0⅝	12.85
Nippon Credit 11¼ 93	100	91⅞	92⅜	-0⅛	+0½	12.70
O.K.B. 10 91	100	89	89½	-0⅛	-0¼	12.22
Ontario Hydro 10¼ 90	250	92¼	92¾	-0⅝	-0⅞	11.91
Ontario Hydro 11¼ 89	200	98¼	98¾	-0½	+0⅛	11.57
Ontario Hydro 12¾ 92	200	102⅜	102⅞	-0¼	+0⅛	12.24
Prudential O/S 10⅝ 93	100	94	94½	-0⅛	+0⅝	11.63
Prudential O/S 12¾ 87	150	103⅝	104⅛	0	-0⅛	11.49
Saskatchewan Pr 10¾ 90	125	93½	94	-0⅛	+0½	12.16
S.N.C.F. 11½ 93	100	94⅝	95⅛	-0⅛	+0⅝	12.42
Sth Cal Edison 10½ 90	75	94¼	94¾	+0⅛	+1	11.71
Sumitomo Fin 10⅞ 90	100	91⅛	91⅝	-0⅛	+0⅜	12.83
Swiss Bk Corp 10¼ 90	125†	95⅛	95⅝	0	+0⅝	11.28
Texaco Capital 9¾ 90	150	92⅛	92⅝	-0⅛	+0⅜	11.45
U.B.S. 10 88	100	95⅞	96⅜	-0¼	+0⅛	11.08
U.B.S. 11 88	150	99⅝	100⅛	-0¼	-0⅞	11.01
Westpac Int Fin 11 90	100†*	90½	91	-0⅛	+0¼	13.13
World Bank 10⅞ 88	150	95	95½	-0⅛	+0¾	11.73
World Bank 10⅞ 93	100	92½	93	-0⅛	+0¾	12.17
World Bank 11¼ 88	100	97⅛	97⅝	0	+1⅛	11.97
World Bank 11½ 90	150	96½	97	0	+0¾	12.21

Av. price changes: on day –⅛, on week +½

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Air Canada 7⅞ 93	100	97¾	98¼	-0¼	-0⅜	7.87
A.N.A.S. 8¼ 88	100	99½	100	0	+0⅜	8.30
Austria, Rep 7⅝ 89	100	98½	99	-0⅛	+0⅜	7.88
Austria, Rep 8 93	100	99⅞	100⅜	0	+0⅛	7.97
Avon Int Fin 7½ 93	100	97⅜	97⅞	-0¼	+0¼	7.86
B.F.C.E. 8¼ 90	150	99½	100	-0⅝	-0⅜	8.29
Comp Tel Nac Esp 8¾ 93	100	94½	95½	0	+0¼	9.27
Deutsche Bank 3¾ 91 WW	240	106⅞	107⅞	-0⅜	-1⅜	2.78
Deutsche Bank 3¾ 91 XW	240	80⅛	80⅞	-0⅛	+0⅝	7.12
Dresdner Finance 4 90 WW	250	108½	109⅝	+0⅛	+2	2.50
Dresdner Finance 4 90 XW	250	89⅛	89⅞	0	+0⅝	7.14
E.C.S.C. 8 90	150	99½	100	-0⅜	-0⅛	8.05
E.E.C. 8¼ 93	250	100⅝	101⅛	-0⅜	+0¼	8.13
Eurofima 7½ 90	100	97⅞	98⅜	-0¼	0	7.86
Finland Rep 7½ 88	150	98⅝	99⅛	0	+0¼	7.75
Int-Am Dev Bk 7¾ 93	200	94½	95	+0¼	+0⅜	8.56
Int Standard Ele 7¾ 93	100	98¼	98¾	-0⅛	+0⅛	7.97
Japan Dev Bank 7½ 90	100	98⅞	99⅜	0	+0¼	7.66
Kobe City 7 93	120	94⅞	95⅜	-0⅛	+0⅜	7.72
L.T.C.B. 8 90	100	99	99½	-0¼	+0⅝	8.14
Renault Acceptance 8 90	150	97	97½	-0⅜	+1	8.54
S.D.F. France 7⅞ 93	100	96⅜	96⅞	-0¼	+0¼	8.39
Sth African Tran 8¼ 90	100	98¼	98¾	-0⅛	-0½	8.54
Volkswagen Int 7¼ 93	200	94⅞	95⅜	+0⅛	0	7.99
World Bank 7½ 90	250	96½	97	-0⅛	+0½	8.13
World Bank 7½ 93	300	95¼	95¾	0	+0¼	8.18

Av. price changes: on day –⅛, on week +⅜

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
AKZO 5⅝ 93	100	98½	98¾	+0½	+1½	5.81
Bank of Tokyo 6 91	100	101½	101¾	-0⅛	0	5.74
Bergen, City of 5¾ 95	40	99	99¼	0	0	5.85
Carls-Tuborg Brw 5¾ 93	80	101½	101¾	+0½	+0¼	5.52
Chujitsuya Co 5⅞ 93	50	98¾	99¼	+0½	-2⅜	6.01
Denmark 6⅜ 91	100	101	101¼	-0¼	-0½	6.18
E.D.C. 5⅝ 91	100	98¼	98½	0	+0¼	5.64
E.I.B. 5¾ 93	100	98¾	99	-0¼	-1¾	5.90
Ex-Im Bk Japan 5⅝ 91	100	98	98½	+0⅛	+0⅝	5.91
Ind Fund Finland 6¼ 91	40	100⅜	100⅝	+0⅛	0	6.17
Int-Am Dev Bk 6⅛ 93	100	101½	101¾	0	+1¼	5.90
Japan Dev Bank 5½ 93	100	98⅜	98⅝	0	-0⅛	5.78
Kansai Elec Power 6 91	100	101⅝	101⅞	0	-0⅜	5.71
Kawasaki Steel 6⅛ 91	100	101½	101¾	0	0	5.85
Montreal Urban 5¾ 93	100	100	100¼	0	+0½	5.73
Mount Isa Finance 6 93	100	102¼	102½	+0¼	+0¼	5.68
Nisshin Steel 6¼ 91	100	99⅜	99⅝	-0⅛	-0⅛	6.33
Norsk Hydro 5½ 98	100†	97	97¼	-0¼	+0¼	5.79
Osterr Draukraft 6 93	100	102⅜	102⅝	-0⅛	-0⅜	5.66
Osterr Post 6⅛ 91	100	102½	102¾	-0¼	0	5.70
Quebec Hydro 5½ 93	100	100½	100¾	-0⅜	-0¼	5.41
Sekisui House 6 93	100	101½	101¾	+0¼	0	5.77
Sumitomo Metal Ind 6 91	100	101¼	101½	0	+1⅛	5.77
Tohoku Elec Power 6 93	100	100	100¼	-0½	-0½	5.98
Trizec Corp 6⅛ 91	100	101½	101¾	0	-0½	5.97
World Bank 5⅝ 93	100	97	97¼	0	0	6.02

Av. price changes: on day 0, on week +⅛

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 8⅝ 92	15	103⅞	104⅜	0	+0⅛	7.97
E.I.B. 8¼ 92	15	101⅝	102⅛	0	0	7.94
Japan Airlines 7⅞ 87	9†	101⅝	102¼	0	0	7.18
New Zealand 7⅞ 89	15	101½	102	0	+0⅝	7.25
World Bank 8¼ 92	20	102⅜	103⅛	0	+0⅜	7.87

Av. price changes: on day 0, on week +⅛

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
British Col 11¾ 93 CS	25†	94	94½	0	-0⅛	12.79
Can Pac Secs 11⅞ 90 CS	75†	95⅝	96⅜	+0⅛	-0⅛	12.18
Charb France 11⅞ 95 CS	40†	93½	94	0	0	12.91
Norcan 12¾ 93 CS	80†	94⅝	95⅛	+0⅛	-0⅝	13.72
Quebec Province 12 93 CS	50†	99⅝	99⅞	0	0	12.64
TD MTG Corp 12½ 88 CS	40†	98⅝	98⅞	0	0	12.23
Xerox Canada 12 88 CS	40†	98½	99	-0⅛	0	12.35
Forsmarks 11½ 98 ECU	40	102⅝	103⅜	0	0	11.06
Svenska 11¼ 91 ECU	40	99¼	100	+0⅛	+0⅛	11.30
Consol Foods 7¼ 88 Fl	100	95	95½	0	+0⅛	8.53
Elect Supply 8¼ 89 Fl	75	95⅝	96⅛	0	+0⅛	8.79
Nederland Gas 7½ 88 Fl	100	98	98½	-0⅛	+0⅛	7.98
Philips Lamps 7½ 88 Fl	100	97	97½	0	+0⅛	7.98
P.H.P. 7¾ 89 Fl	50	99⅜	99⅞	0	+0⅛	8.84
Swed Exp Cred 7¾ 88 FL	100	94⅝	95⅛	0	0	9.15
O.K.B. 14 86 FF	400	100⅞	101⅞	+0⅛	-0⅝	13.20
Solvay & Cie 14¼ 88 FF	200	101⅝	102⅝	0	+0⅛	13.58
B.F.C.E. 11½ 88 £	50	96⅞	97⅜	-0⅛	-0⅛	12.30
British Oxyg 11¾ 91 £	50	100⅛	100⅝	0	+0⅜	11.62
CEPME 11¼ 95 £	35†	98½	99½	+0⅛	+0⅝	11.39
E.E.C. 11⅞ 91 £	50	99⅝	100⅝	-0⅛	-0⅛	11.79
Fin For Ind 10½ 90 £	30	95	95⅝	-0⅛	0	11.50
Fin For Ind 12¼ 88 £	30	102⅞	103⅝	0	-0⅜	11.33
Fin Mor Quay 12⅝ 92 £	30	101⅜	102⅛	-0⅛	+0¼	12.31
Gen Elec Co 12½ 89 £	50	102⅝	103⅛	+0⅛	-0⅛	11.62
Mort Bk Fin 11¾ 89 £	15	95⅞	96⅜	0	0⅝	12.60
Norsk Hydro 12 90 £	30	101⅝	102⅜	0	+0½	11.51
Quebec 14½ 89 £	30	108½	109½	0	+0⅝	12.27
S.N.C.F. 11½ 89 £	30	96⅞	97⅜	0	+0⅜	12.23
Sweden 11¼ 93 £	50	93⅝	94⅛	0	+0¼	12.37
Swed Exp Cred 11¼ 88 £	30	96⅝	97⅛	-0⅛	+0⅛	12.12
World Bank 11⅛ 88 £	100	97⅛	97⅝	-0⅛	+0⅜	11.81
World Bank 11⅜ 91 £	75	99⅛	100	+0⅛	+0⅛	11.42
Euratom 11 93 LuxFr	500	102¾	103¾	-1¼	-1⅛	10.42
Europarat 10¾ 93 LuxFr	600	102⅛	103⅛	0	0	10.26

FLOATING RATE NOTES	Spread	Bid	Offer	C.date	C.cpn	C.yld
B.F.C.E. 5¼ 87	0¼	99⅜	99⅝	27/1	10⅝	10.93
B.F.C.E. 5¼ 88	0¼	99⅛	99½	20/1	10.18	10.25
Caisse Nat Tele 5¼ 90	0⅛	98⅜	99⅛	21/10	9.88	9.88
C.C.F. 5¼ 95	0¼	98⅞	99⅛	7/10	10.19	10.29
C.C.F. 5¼ 98	0¼	99⅛	99⅜	24/9	9.94	9.98
Cepme 5¼ 98 WW	0¼	99⅜	99⅞	3/12	10.50	10.60
Cepme 5¼ 92	0⅛	99⅜	99⅝	10/12	10½	10.55
Chemical NY 5¼ 94 ††	0⅛	100⅜	100⅝	23/9	10.82	10.78
C.N.C.A. 5⅛ 95 XW	0⅛	98¾	99	7/12	10	10.11
C.N.T. 5¼ 91	0¼	98⅝	98⅞	8/11	9⅛	9.37
Credit Agricole 5¼ 97	0¼	99⅝	99⅞	24/8	10	10.04
Credit Lyonnais 5¼ 94	0¼	99	99¼	5/1	10.31	10.40
Credit Lyonnais 5¼ 97	0¼	98⅞	99⅛	1/10	10.06	10.16
Credit Nat 5¼ 94	0¼	98⅞	99⅛	8/9	9⅛	9.23
E.D.F. 5¼ 95 XW	0¼	99⅝	99⅞	10/2	11⅜	11.40
E.E.C. 5 90	0⅛	99⅞	100	6/1	10.19	10.20
Kansallis Osake 5½ 92	0⅛	99⅝	100⅛	5/11	9⅛	9.13
Long Term Cred 5¼ 92	0¼	99⅝	100	27/11	9⅝	9.78
J.P. Morgan 5¼ 97 S	0⅛	100⅛	100½	12/11	10.81	10.77
New Zealand 5⅛ 87	0⅛	100⅛	100⅜	7/10	10.06	10.04
NZ Steel Dev 5¼ 92	0⅛	100	100½	22/12	10⅛	10.22
Nippon Credit 5⅛ 90	0⅛	100⅜	100⅝	10/2	11⅛	11.19
Soc Generale 5¼ 90 XW	0¼	98⅞	99⅛	9/11	9⅛	9.22
Société Générale 5¼ 95	0⅛	99¼	99½	1/3	10.31	10.30
Sweden 5¼ 89	0⅛	99⅞	100	28/2	10.19	10.20
Sweden 5⅛ 93	0⅛	100¼	100½	3/2	11.18	11.15

Av. price changes: on day 0, on week +⅛

CONVERTIBLE BONDS	Conv. date	Conv. price	Bid	Offer	Chg. day	Prem
Bridgestone Tire 5½ 96	3/82	470	104⅞	105⅞	-0⅜	5.08
Canon 7 97	7/82	748.2	234	236	+2½	10.06
Daiwa Sec Co 5½ 98	10/83	508	96⅛	97⅛	-0⅛	2.07
Hitachi Cable 5⅛ 96	2/82	515	108½	110	-0⅜	8.73
Honda Motor 5¼ 98	6/83	894	96⅛	97⅛	+0½	4.53
Honda Motor 5½ 97	3/82	758.8	109⅝	111½	+0⅛	2.13
Kumagai Gumi 6½ 97	10/82	490	124	125½	+0⅛	6.12
Kyowa Hakko 6⅛ 97	2/83	762	114½	116	-0⅜	11.80
Minebea Co Ltd. 5½ 98	5/83	887	129⅜	130⅜	-0⅛	-8.58
Mitsubishi Electric 5¼ 98	6/83	396	108	110	+0½	8.82
Nippon Electric 5⅛ 97	2/82	785.9	185⅝	187⅝	-0⅜	5.88
Nippon Oil Co 5½ 98	4/83	984	101⅛	102⅛	0	11.53
Nissan Motor 5⅛ 98	4/83	770	90⅛	91⅛	+3⅛	2.88
Olympus Optical 6¾ 97	12/82	1331	182⅝	184½	+0⅜	9.74
Orient Finance 5⅛ 97	3/82	927.2	92⅛	93⅝	+1⅜	13.06
Orient Leasing 5⅛ 98	6/83	2880	95	96	+0½	-1.60
Secom 5 98	11/83	2828	123	124½	-0⅝	4.86
Sumitomo Electric 5½ 97	3/82	677.3	111	112½	+1⅛	7.12
Sumitomo Metal 5⅛ 96	10/81	296.1	69⅛	70⅝	+1⅛	36.36
Yamaichi Sec Co 5 98	8/83	472	93⅜	94⅜	+0⅜	8.90
NEC Corp 3½ 93 SF	8/83	878	151⅛	153⅛	+0½	-1.81
Sanyo Electric 3½ 93 SF	5/83	501	107	109	+0¼	10.53
Konishiroku 6¾ 88 DM	6/82	616	118	119	+3	1.50
Mitsubishi Heavy 6 89 DM	2/82	263	107⅜	108⅜	+2⅞	16.93
Sun Realty 6¼ 92 DM	2/83	365	115⅞	116⅞	-1⅜	-5.14

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week – Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C. date – Date next coupon becomes effective. Spread – Margin above six-month offered rate (†† three month. § above mean rate) for U.S. dollars. C.cpn. – current coupon. Cr. yld – current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg day – Change on day. Cnv. date – First date for conversion into shares. Cnv. price – Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem – Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

INTERNATIONAL APPOINTMENTS

New chief elected at Natomas

● Mr Kenneth G. Reed, vice-chairman of the NATOMAS board has been elected president and chief operating officer of Natomas Company following the combination of Natomas Company and Diamond Shamrock Corp. The move takes effect concurrently with the resignation of Mr W. Bruce Seaton as president and chief operating officer of Natomas, who becomes president and chief executive officer of American President Companies Ltd, a new publicly-traded company created by the spin-off, immediately prior to the Natomas/Diamond Shamrock combination, of Natomas's real estate and transportation subsidiaries. He will continue as a director of Natomas and also as a consultant.

● CHASE INVESTORS MANAGEMENT CORP, the wholly-owned subsidiary of The Chase Manhattan Corp that functions as the bank holding company's investment management arm, has named Mr Gary A. Gerstein, Mr Robert E. Kern, Jr., and Mr Howard A. Scribner, Jr., senior vice presidents. Mr Gerstein, Mr Kern and Mr Scribner each manage one of Chase Investors' "shops." Mr Gerstein is in charge of intrinsic value equities, Mr Kern smaller capitalisation equities, and Mr Scribner large capitalisation equities.

● Mr F. Ellsworth has been elected chairman of HOWMET TURBINE COMPONENTS CORP, Greenwich, Conn. He succeeds Mr Theodore Operhall, who has resigned to pursue other interests. Mr Operhall will remain a director. Mr Ellsworth is chairman and president of Robert Ellsworth and Co., Inc., Washington, D.C., a private investment firm.

● MELLON FINANCIAL SERVICES has formed an investment management subsidiary, Capital Management Group, which is headquartered in San Francisco. Mr William L. Fouse has been named chairman and Mr Thomas F. Loeb has been named president of Capital Management. Mr Fouse joins Mellon from Wells Fargo Investment Advisors where he was senior vice president, deputy manager of institutional services division and chief investment officer. Mr Loeb also joins Mellon from Wells Fargo Investment Advisors where he served as vice president and manager — Core Management Group since 1973.

● RKO GENERAL INC., has made changes to the senior management: Mr Shane O'Neil has been elected president and chief operating officer. Formerly executive vice president, Mr O'Neil has been with RKO for thirteen years, during which time his executive responsibilities have involved him in RKO Pictures Inc. finance, research, planning, mergers and acquisitions. Mr Frank Shakespeare, the former president of RKO, is appointed vice chairman. Mr H. J. Delynn continues as vice chairman of the board and is appointed chairman of the executive committee.

● Mr A. Peter Clackson, chairman and managing director of British United Shoe Machinery, a part of EMHART CORP. of Farmington Conn., has been appointed president of Emhart's footwear materials group and will relocate to the U.S. Mr Clackson succeeds Mr Lee A. Asseo who is resigning to pursue other business including a company formed as a result of a management buy-out from Emhart.

● UNION CARBIDE CORP has made the following changes: Mr Anthony A D'Onofrio becomes vice-president and general manager—film and molding business in the polyolefins division, Mr Philip T. (Pete) Wright vice-president of marketing and sales in the ethylene oxide/glycol division, and Mr Richard L. Baldwin vice-president and general manager of the hydrocarbons department, with responsibility for the corporate hydrocarbon operations, supply, co-products sales, and pipeline management.

● Mr James L. Dunlap, vice-chairman of Texaco Ltd., has been appointed as executive vice-president and a director of TEXACO CANADA INC. Mr Dunlap has been vice-chairman of Texaco Ltd., based in London, since July 1982.

● Mr J. B. Reid has been made a corporate vice-president and secretary of UNION CARBIDE CORP. He replaces Mr Morse G. Dial, Jr., who has retired. Mr Reid will also have the responsibility for Union Carbide Puerto Rico, Inc.

● SAAB-FAIRCHILD JOINT VENTURE has appointed Mr Steven M. Wallace director of SF-340 product support for North America. He was formerly with the Avco Lycoming division in Stratford, Connecticut, where he was director for reliability and maintenance.

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